

# The NATIONAL UNDERWRITER



"Count 'em, folks, they're worth one hundred bucks apiece!"

"Brad Foster, our insurance man, pulled an eye-opener of a stunt on us the other day. He dumped eighty oak leaves out of his brief case. 'Imagine that each one of these leaves is worth \$100' he said. 'Eighty of 'em — that's \$8,000, the money you saved yourself by taking my advice.'"

"Sure enough, \$8,000 was what he saved us by insuring our house and furnishings for what they were worth. About 3 months after I'd increased my fire insurance, our place burned to the ground! If I had taken Brad's advice, I'd have been all right!"

Every day you read, "Fire destroys home", "Burglars make \$5,000 jewelry haul" or worse, "Car victim sues for \$50,000!" Insurance and only insurance can protect you against serious losses from such hazards.

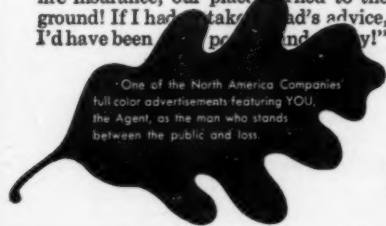
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Near you, there's an Agent of one of the North America Companies doing a good job in the community. Put *all* your insurance questions up to him. He will carefully study your needs first—then give you the exact protection you require. See him now. An accident or a fire won't wait. Why should you?



HE STANDS BETWEEN YOU AND LOSS!

Your local Insurance Agent can often save you money while protecting you from fire loss, or almost any other hazard. When trouble comes, he's on hand to see that you get prompt satisfaction on every just claim.



"One of the North America Companies' full color advertisements featuring YOU, the Agent, as the man who stands between the public and loss."

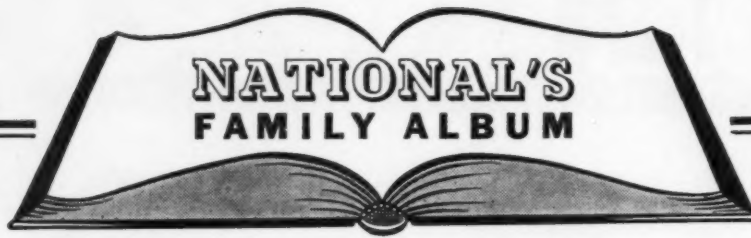


INSURANCE COMPANY OF  
**NORTH AMERICA**  
COMPANIES, Philadelphia

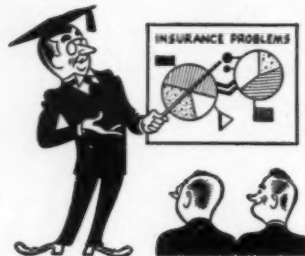
Insurance Company of North America, founded 1792, oldest American stock fire and marine insurance company, heads the North America Companies which meet the public demand for practically all types of Fire, Marine and Casualty insurance. Sold only through Agents or Brokers.

Insurance Company of North America • Indemnity Insurance Company of North America • Philadelphia Fire and Marine Insurance Company • The Alliance Insurance Company of Philadelphia

THURSDAY, JUNE 24, 1948

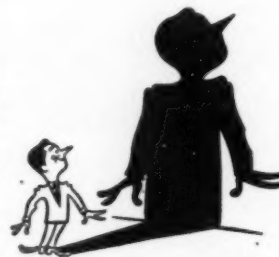


**Venerable Víctor.** Dean of the local agents, the town's protector. Has written every form of insurance at one time or another. Even the other agents ask him about insurance problems. Not resting on his laurels yet and the renewals continue to grow. A credit to the business.



**Wonderful Walter.** His policyholders are constantly amazed at his interesting, competent service on insurance matters. His business is never threatened; he knows his forms. He thinks it's a wonderful business too.

**X-Y-Z.** These are the agents at "the end of the list". Small volume perhaps, and seldom in the spotlight, but always there with a modest, promising class of good business. "X-Y-Z" today ... "A-A-A" tomorrow.



**N. F. G.\*** The Perfect Agent. Does all these things and more. Sound steady protection and prevention service — all the time.

\* National Fire Group agents, of course  
(—and that goes for our fieldmen too)

## The National Fire Group

NATIONAL FIRE INSURANCE COMPANY OF HARTFORD  
MECHANICS and TRADERS INSURANCE COMPANY



FRANKLIN NATIONAL INSURANCE COMPANY OF NEW YORK  
TRANSCONTINENTAL INSURANCE COMPANY

UNITED NATIONAL INDEMNITY COMPANY

EXECUTIVE AND ADMINISTRATIVE OFFICES, HARTFORD 15, CONN.

WESTERN DEPARTMENT

CANADIAN DEPARTMENT

PACIFIC DEPARTMENT

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485 MCGILL ST., MONTREAL 1, P. Q., CANADA

234 BUSH STREET, SAN FRANCISCO 20, CAL.

MEMBER THE ASSOCIATED AVIATION UNDERWRITERS



## New I. U. B. Setup Won't Be Effective by July 1 Deadline

**May Have to Use Binders—  
Industry Generally Ready  
for PL 15 Expiration**

NEW YORK — With the expiration of the moratorium on application of the federal anti-trust laws to insurance July 1, the business believes that after more than two years of strenuous effort it has its house in pretty good order. With only a few exceptions, organizations and companies consider that their operations accord with state rating legislation and with anti-trust and related laws that were on the states' books or that have been written there since public law 15 was passed. Some things may need to be done later on that were not foreseen but on the whole most of those in the industry are pretty well satisfied.

This is the attitude of the fire business with the possible exception of commission control. On that, company management believes that it does not need control at present, and if it does at some time in the future, present laws would be sufficient for the purpose. The present pattern is to let regional organizations suggest advisory scales and then companies can do what each individually desires.

### May Be Some I.U.B. Delay

Interstate Underwriters Board late in May submitted its proposed plan of operation as an advisory organization to the fire rating organizations in the various states. The hope is that these bureaus will promptly file the plan with their insurance departments and secure approval. However, this undoubtedly will take more time than that left till July 1, and after that date, until the plan is approved by the states, the I.U.B. will not quote rates. Under these circumstances fire companies might have to transact this type of business on binders for a while.

In the meantime, I.U.B. has decided to offer its services to non-members, all types of carriers, since that was one of the criticisms leveled at I.U.B. as an advisory organization by commissioners.

North America's individual schedule, which has been filed in various states, had not been approved by any state early in the week. North America, with two or three other large insurers, apparently has not favored the idea of having I.U.B. an advisory organization.

The idea of a national rating organization for interstate business, it is reported, has been explored in the past few days. Proponents of this idea believe it would meet the approval of the commissioners.

The companies that write this business face a real problem as of July 1. Much of the business is dated Jan. 1 or July 1. It can on the latter date be placed on binder, but many states don't permit a binder to extend beyond 30 days. As has been pointed out in the discussions of the problem, insured could go abroad, or writers of the business in this country can use companies entered in only one or two states and therefore not subject to regulation in 48 states. At least one company is already set to follow the latter method if it is necessary to do so.

Aviation is not covered by rating laws,

## First Boston Corp. Issues Insurance Stock Brochure

Expressing the belief that the stocks of carefully selected fire and casualty companies have distinct investment merit, First Boston Corp. has prepared a brochure explaining their financial reports and the accounting yardsticks used to determine underwriting profits and investment income.

The study states that the present trend of underwriting profits appears to be upward and points out that the stocks of many companies with long unbroken dividend records are now available at large discounts from their year-end liquidating values, at low price-earnings ratios and at liberal dividend yields.

### Explains Accounting Methods

The brochure points out that the financial aspects and accounting methods of fire and casualty insurance companies on the surface appear complex and difficult to understand, and then sets forth a simply worded explanation of the accounting methods of these companies. The discussion includes the section entitled "Tracing the Premium Dollar" and explanations of the terms "adjusted underwriting profits", "underwriting ratios", "case basis underwriting results" and "liquidating values".

and the aviation groups still are discussing what changes they should make in their operations, if any, to insure continued operation on the present basis. They have received conflicting opinions as to the necessity of changing their operations and proceedings, and as to what those changes should be, if any are necessary.

The casualty business right along has expressed the need for legalizing commission control, and it was expected that the acquisition cost conferences would establish a firm base for continuation before the end of the month, under New York law, a law that already was on the books.

Interstate rating plans for most lines have been worked out by National Bureau of Casualty Underwriters, Mutual Casualty Insurance Rating Bureau, etc. However, in recent months an industry committee that includes both stock and mutual interests has been evolving an interstate rating plan for fleet risks, particularly trucks, and have the work about completed. The problem was to set up the country in zones and to arrive at a rate making formula to reflect the interstate character of the fleet and truck fleet risks. As this study was progressing, the automobile fire interests and those concerned with motor truck cargo insurance entered the negotiations. These two lines face a somewhat similar problem, that of getting up an interstate plan, and, while in many respects the practical difficulties, particularly the base rates, differ from those of the casualty people, on certain points it is believed there can be uniformity. For example, the location of the garage which houses trucks operating between two fixed terminals, interstate, would have a considerable effect on the fire rate, but would make no difference in the casualty rating formula.

### Surety Men Set to Go

Surety Assn. of America is set up to go under the various state laws. The only thing in this field that will be different is the abrogation of the Lloyds truce on bankers blanket bonds. This was not a matter that came within the operations of Surety Assn. but was an agreement between London Lloyds and the American companies writing the BBB. The American insurers have noti-

The text is related to certain appended financial data for 1947 with respect to four fire insurance companies (Aetna, American, North America, Springfield) and four casualty companies (Aetna Casualty, F. & D., Seaboard Surety, U. S. Guarantee) so that the method of computations used may be related to actual figures.

Another section is devoted to investment income since the infrequent cases of fire and casualty companies which have encountered financial difficulties have been due with very few exceptions to unsound investment policies.

Since underwriting profits fluctuate widely with changing business and economic conditions, whereas investment income in a well-managed portfolio is fairly steady, most companies, it is pointed out, adhere to the practice of paying dividends out of investment income only. Underwriting profits are generally retained in surplus to finance future growth and to absorb unusual underwriting losses without disturbing dividend payments. "It is this sound and conservative practice which accounts largely for the long, uninterrupted dividend records of so many fire and casualty companies," the study states.

fied London Lloyds that they now consider the truce terminated.

The surety business doesn't appear worried by a possible war with Lloyds for this business, though aggressive competition by some London brokers may result. It is recalled that the threat of passage of the Hobbs bill in Congress, which would have barred Lloyds pretty much from the American market, was what worried Lloyds brokers back in the early '30s when the truce was established.

## Mich. Pond to Sponsor Herrick for Grand Nest

Michigan Blue Goose at the annual meeting last week at Traverse City voted to sponsor Clarence B. Herrick as a candidate for grand nest office in 1950. The pond has not had a grand nest office since 1922. Mr. Herrick is Michigan state agent for Yorkshire. He is a past most loyal gander of the Michigan pond and is deputy most loyal grand gander for Ohio. The campaign for him will get underway at the annual convention in Montreal in September.

New officers of the Michigan pond are: Most loyal gander, L. Irving McKay; Northern Assurance; supervisor, Denley I. Priest, Underwriting Adjusting; custodian, Robert J. O'Neill, Royal; guardian, F. R. Grosvenor, F. & G.; keeper, Elmer E. Sademan, Agricultural, and welder, Russell P. Heindel, London Assurance. The installation was performed by George L. Stone, a past most loyal gander.

Delegates elected to the grand nest meeting were Mr. McKay and William T. Benallack.

A feature of the meeting was the inauguration of the Stuart Morgan golf tournament. Mr. Morgan, who is state agent for Agricultural, is a past most loyal gander. He was elected a life member of the pond and elevated to high potentate of the floating lily pads. R. J. O'Neill, Royal, won the golf tournament and the cup.

The Grand Rapids puddle, which completed its first year with 73 members,

## Fireman's Fund Moves to Add \$14-15 Million to Resources

**Present Stockholders May  
Buy Four Shares for  
Five at \$30**

Fireman's Fund announces a program of new financing that is calculated to increase its resources by \$14 million to \$15 million.

The program involves the reduction in par value of the present shares from \$10 to \$7.50 and the offering to stockholders of rights to purchase four new shares for each five shares now held at a contemplated price of \$30 a share. There is no underwriting arrangement involved and shares not subscribed for by stockholders will be offered to the public or disposed of at private sale at or near the then market price.

After the program has been completed, the stock will be placed on an annual dividend basis of \$2.60 per share.

At Dec. 31, 1947, capital of Fireman's Fund amounted to \$5,282,100 or 528,210 shares of \$10 par value. There has been an increase in the number of shares since that time because of the fact that Fireman's Fund has been exchanging its stock for individually owned shares of Fireman's Fund Indemnity on a share for share basis, but on the basis of the capital at Dec. 31, there would be offered to present stockholders 422,568 new shares which at \$30 a share would produce \$12,677,040.

### Market Action Reviewed

The stock of Fireman's Fund has been traded lately at about \$100. It got up to about \$107 but on rumors of the new financing, the market dropped to about \$100.

It is now anticipated that the market will drop to about \$69 a share, and that the rights to purchase the new stock will be worth about \$31 per share.

Fireman's Fund stock has been paying \$3 a share annually. Thus a holder of 100 shares has been getting annual dividends of \$300. He will now have the right to purchase 80 new shares at \$30, or a total additional investment of \$2,400. On the proposed new dividend basis, his dividends on the 180 shares would amount to \$468 or 3.77% on the parity price. This compares with the 3% yield that he has been getting. On his newly acquired shares he would receive a dividend of about 7% on his investment.

Fireman's Fund is the second company thus far to announce such a step in what some market observers believe will constitute a second round of new financing on the part of stock fire insurance companies in order to accommodate the avalanche of business that is engulfing them.

Fireman's Fund has withdrawn its share for share offer, as well as the accompanying cash offer to holders of 10 shares or less, for stock of Fireman's Fund Indemnity, as of July 6.

elected William Van Wormer, Phoenix of Hartford, big toad; Roy Storrer is polliwog; Samuel Gray, croaker; Robert McKay, bouncer, and W. W. Page, keeper.

There were 110 ganders and guests on hand.

## N. C. Mutual Agents to Hire Secretary

### Revise Constitution at Atlantic Beach, Beam Goes to Helm

North Carolina Assn. of Mutual Insurance Agents held a well-attended and fruitful meeting at Atlantic Beach last week. Despite the distractions of perfect weather and an inviting beach, the members packed each session and adopted a revised constitution and by-laws. Among other changes, dues were increased and provision was made for employing a secretary. The new administration, headed by E. L. Beam, Charlotte, hopes to secure a part-time secretary in the near future, and eventually to have a full-time executive.

Mr. Beam, who succeeded Murray White, High Point, as president, acted as voluntary secretary during the past year and his energy was widely credited with building membership up to 287. The new constitution is a tribute to Mr. White and G. F. Jones, Charlotte, chairman of a special committee on that subject.

### Well-Balanced Program

The members approved a well-balanced program, which opened with Commissioner Hodges appealing for support from everyone in the new era of insurance regulation. Mr. Hodges, who was presented with an honorary life membership, said June 30, 1948, will be as important a date in insurance history as the dates of Paul vs. Virginia and the S.E.U.A. decision. Two rating bureau heads, John Fletcher of North Carolina Automobile Rate Administrative Office, and Landon Hill, North Carolina Fire Insurance Rating Bureau, discussed their problems and answered numerous questions. Howard Russell, New York, Improved Risk Mutuals, told of the facilities of his organization, including its recent entry into the tobacco and textile fields.

P. F. Baldwin, Washington, of the National Assn. of Mutual Insurance Agents, asked for support in the N.A.M.I.A. public relations fund drive. At the dinner Friday evening, Mr. Baldwin announced that the award to the field men making the greatest contribution to mutual insurance in the state had been voted to Clement Marshall, Charlotte general agent. Mr. Marshall, who had just been elected president of the Southern 1732 Club, was unable to be present because of sudden illness and Mrs. Marshall accepted it for him. He recovered sufficiently to deliver a report on the liaison committee at the Saturday session.

### Swigart Makes Awards

W. E. Swigart, Huntington, Pa., past N.A.M.I.A. president, presented his awards, built around reproductions of old fire marks, to outstanding members. Mr. White received the 1948 award and Mr. Swigart presented retroactive trophies to Messrs. Jones and Beam and F. H. Craft, Greensboro, past president.

J. C. O'Connor, Cincinnati, editor "Fire, Casualty & Surety Bulletins" and assistant editor THE NATIONAL UNDERWRITER, conducted two forums, one on business interruption insurance and one on casualty exclusions. P. H. DuBuc, Shelby, O., agency secretary Shelby Mutual Casualty, introduced him. Col. H. J. Hatcher, chief of the state department of highway safety, was the luncheon speaker. He appealed for support in his campaign for driver education in the North Carolina schools.

Another feature was the election of the first woman to the board of directors. Mrs. Martha Toler has built up a splendid agency in Fayetteville and has been an earnest and popular worker in the organization since it was founded.

## Duxbury Sees Continuing Vital Place for E. U. A.

George H. Duxbury, U. S. manager of North British & Mercantile, in his presidential address at the midway meeting of Eastern Underwriters Assn. at Manchester, Vt., expressed confidence that E.U.A. can continue to serve a tremendously useful purpose in the insurance business. He said he looks forward with courage to the future, with a full appreciation that some business risks may be involved in the continuance of trade association work. Each activity will be scrutinized thoroughly in the light of its public benefit.

He pointed out that within just a few days the moratorium under which the insurance business has been working will expire. Much has been accomplished by the business in readjusting itself to the new concept of operating procedures. Every state in E.U.A. territory has enacted rate regulation legislation and in each such state where it has been permissible, E.U.A. has filed as an advisory organization.

In addition to making recommendations to rating organizations through study and research dealing with rating methods and levels as well as forms, clauses and rules, E.U.A. is carrying on other functions of a trade association. The question of what constitutes appropriate association activity has been scrutinized objectively. E.U.A. does not exercise police power over its members by the enforcement of what were formerly considered necessary restrictive rules for the betterment of the business and the protection of the public.

### No More Punitive Measures

No longer is the association a medium for applying what might be considered punitive measures to unfair competitive situations that involve constriction of freedom of action. There are no longer rules and regulations attempting to build within the industry protection for members against what might be construed to be unfair practices.

The guide for future operations might well be the experience and activities of other trade associations that have long been bound by the same necessities for joint action that encompass insurance. If E.U.A. is to continue its role as a regional trade association it must review its activities objectively with the idea of being of utmost value to its membership and the public.

While there may be twilight zones in trade association activities in the new concept of duties to members nevertheless the organization should go forward without fear with a program that is designed for the best interest of the membership and the public. The insurance business has been recognized by the public as one that is conducted under fair principles with due regard for the rights and equities of stockholders.

### Sees Fear Virus

The insurance business, he said, has been inoculated at least to some degree with a fear virus and the epidemic may arrive when the moratorium expires. He said he does not share the view that the business will suddenly have descending upon it all those who are standing on the starting line waiting for the gun to be fired. The insurance business is too important, too necessary to the public for administrative agencies immediately to launch an attack against everything that has heretofore been regarded as essential to the advancement of the business and the protection of the policyholder. He recommended that E.U.A. proceed with its study and research into any phases of the business that have a public interest, that the results of these studies be made known to the members and to the public. Future work of the association must involve study, research, and debate on any phase of the operations that will produce higher standards of business, ethics, efficiency and economy. The association must be ever mindful of the competitive equality of the membership regardless of the size of the companies. Any trade practice that is not measured by its effort upon the whole industry and the public alike may not stand the light of scrutiny if it gives undue advantage to a few.

Chris D. Sheffe, U.S. manager of London Assurance in his report as public relations chairman, reviewed the many activities that have been launched, including the distribution of 7,000 copies of the public relations manual, the mailing of public relations items to field club leaders, organization of a state fire prevention association in New Jersey and town inspections in other states, preparation of a guide on how to plan a town inspection, preparation of a booklet for distribution by field clubs outlining the general mechanical procedure of policy writing as an aid to employees of agents.

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## Story of Rate Increases in 15 States Causes Confusion

Fire insurance men throughout the country were startled and confused by articles appearing in many newspapers reporting that fire insurance rate increases had been put into effect in 15 states. The story was sent out by a press association and was written in such a way as to indicate that this was something of a current nature. The insurance fraternity had no inkling of anything of this kind, and it seemed strange that in this day of rate regulation any such program could be effected in that many states at the same hour. THE NATIONAL UNDERWRITER received a call from one of the Chicago papers late one evening desiring to get background information and the editors at first were chagrined to think that they were caught flat-footed on what appeared to be such an important story.

Actually, this turned out to be a rather maladroitly handled story, reviewing rate increases that have been granted in the past year or so. The facts were gotten from the National Board by one of the press services that apparently was prompted to make an inquiry because of allusions to rate increases that were made in the presidential address of J. M. Haines at the annual meeting of the National Board. In his talk he indicated how slight the increases have been in contrast to inflated prices for every other commodity or service. However, the story gave the distinct impression that these were rate increases that were currently being put into effect rather than being an historical review. Illustrating that this was the impression that was created is the fact that THE NATIONAL UNDERWRITER has received stories from gimlet-eyed correspondents throughout the country reporting that fire insurance rate increases have now been put into effect in 15 states.

## Holland Heads Kentucky Fire Prevention Assn.

Kentucky Fire Prevention Assn. at its annual meeting at French Lick, Ind., elected Smith Holland, America Fire, president, succeeding Kenneth R. Dunkin, Travelers Fire; Paul Beattie, New York Underwriters, vice-president, and Parkhurst Blood, New Hampshire, secretary.

Mr. Dunkin said some 15 or 20 men are carrying most of the work for about 130 to 140 members, and argued for more active workers. He recommended that a committee be named to divide the state in sections and arrange for fire prevention meetings where they are most needed, and that speakers be assigned far enough in advance so that they would have time to prepare talks. He urged an immediate start on plans for Fire Prevention Week.

A committee with Martin Bodeker, Royal Exchange, as chairman, was named to work out the suggested changes and recommendations.

## J. E. Rawling Named U. S. Marine Head of Phoenix-London

James E. Rawling has been named U. S. marine manager of the English companies of Phoenix of London group and marine manager of the American companies. He succeeds James Mather, who has resigned. The appointment is effective July 1.

Other changes in the marine department are: L. Wagle has been appointed deputy U. S. marine manager; R. K. Smith and J. W. Wahl are assistant U. S. marine managers; E. J. Lindley is U. S. marine secretary, and J. F. Sponish is assistant U. S. marine secretary.

The appointments are also effective for Norwich Union Fire and Eagle Fire of New York, which are represented by the Phoenix group marine department.

Mr. Rawling joined Phoenix group in 1915 at the head office of Union Marine in Liverpool. He came to the U.S. in 1923 in the claims department and was appointed underwriter in 1941. He is president of the Phoenix group of Quarter Century Club, the company 25-year organization.

Mr. Wagle has been with the group since 1910 and prior to his new appointment has been adjuster of marine claims.

## Contingent Pacts Are Being Revised

Increased activity is reported in the direction of adjusting fire insurance contingent contracts with agents, especially in the excepted cities of the middle-west.

A number of the companies are using the advisory contract of Western Underwriters Assn. that was developed with the counsel of accountants. However, variations of this scheme are reported as being put into effect.

Under the new W.U.A. advisory plan, the premium factor each year consists of one-third of the premiums written for the most recent year, one-third of the premiums for the preceding year, and one-third for the second preceding year. Likewise, the commission expense that is charged into the formula is based upon this one-third averaging. The charge for home office expense and taxes in the recommended formula is 18% as against 7.5% that had been in general use. There is a two year carry-over of deficits.

Some companies are blanketing the entire operations of an agency with a contingent, that is the contingent is figured against fire and allied lines business, automobile and inland marine. Also, it is said some companies are carrying forward deficits for only one year and still another variation is to calculate the accounts on the basis of net premiums after reinsurance so that the agent would not get credit for the portion of the premium that was reinsured, but neither would he be charged with losses recovered from reinsurers.

## Brown Cleveland President

Cleveland Field Club at its annual meeting elected Clarence D. Brown, Jr., Boston, president; Stuart R. Terwilliger, Aetna Fire, vice-president; James D. Streich, St. Paul F. & M., secretary, and S. M. Klemm, Underwriters Adjusting, treasurer.

New officers were installed at the June 23 meeting of Insurance Women of Akron. Mrs. Grace O. Loda performed the installation. A report on the Portland convention was given by Miss Carol Sullivan, and awards were presented members who have completed the introductory course of National Assn. of Insurance Agents.



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London group  
the American  
James Mather  
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marine depart-  
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are assistant  
J. Lindley in  
and J. F. S.  
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A. C. SEYMOUR



CLARKE SMITH



H. C. CONICK



H. C. JOHNSON



J. L. ERHARDT



F. B. ZELLER

UNITED STATES MANAGER

# Looking back... and AHEAD!

The continuous whole-hearted acceptance of "L. & L. & G." insurance policies is, without doubt, a result of the integrity contributed by each "L. & L. & G." Management throughout 100 years in the United States.



100 Years in the United States

The men of today in whose hands rests the tomorrow of the Liverpool & London & Globe Insurance Co. Ltd., have been trained to carry on the responsibilities heritage has willed them. Performance and security for policyholders are such deeply imbedded traditions that no matter what changes may be in store for the industry, those traditions in the keeping of today's Management will remain as constant as they have been during the past 100 years.



BRUCE BRODIE



W. L. FALK



J. F. O'LOUGHLIN



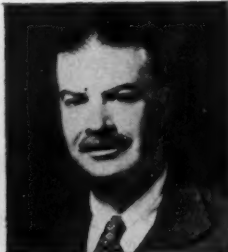
G. W. MC CAGG

## THE LIVERPOOL AND LONDON AND GLOBE INSURANCE CO. LTD.

a major unit of the ROYAL-LIVERPOOL GROUP • 150 William St., New York 8, N. Y.



M. H. GRANNATT



C. E. BLACK



E. W. HOTCHKIN



J. C. QUALMANN



B. F. WEAVER

## Urges Plan of Superior Licensing for Qualified Agents

W. O. Hildebrand, secretary-manager of Michigan Assn. of Insurance Agents, in addressing a district meeting at Bay City, advocated a superior agent licensing designation to be known as "certified insurer." Such a license, he suggested, should be granted following a written examination after the applicant has been licensed as an agent or solicitor for three years. He indicated that Commissioner Forbes and Ray C. Des Autels of the license division concurred in large part with the suggestion. The matter of legislation will be studied by the executive and legislative committees.

Mr. Hildebrand said there had been marked improvement in the caliber of agency representation since the qualification law and subsequent amendments were enacted and since the educational program of the Michigan agents association was launched. However, prior to the time that the law became effective, thousands of improper licenses had been issued and they are still in existence.

Mr. Hildebrand alluded to a pamphlet

on fire insurance issued by "American Ecclesiastical Review" which was critical of the agency representation of the billion dollar fire insurance business. The agent was characterized as a pampered pet of the company who knows little about insurance and it is difficult for the public to make a discriminating selection of agents because some are barbers, some undertakers, some life insurance agents, some real estate men who take on insurance as a sideline. The article blames the insurance companies for not setting up real standards for the agents.

### Hildebrand Comments

Mr. Hildebrand said much of this criticism is justified. He said too often churches or lodges attempt to compliment everyone within the membership who has an agent's or solicitor's license, with a small piece of business.

Another speaker was Russell A. Bradley of Ann Arbor, vice-president of the association, who emphasized the membership campaign which is called "Affiliate in '48." Harry F. Chapin of Bay City was chairman of the meeting and he has called another gathering to establish a co-extensive local association at that place. Clarence F. Graebner of Saginaw, member of the lower house of the Michigan legislature, gave a talk.

## F.I.A. MAKES CHANGES

### Forristall Aid to President; Germain Eastern Manager

Organizational changes are being put into effect by Factory Insurance Assn.

Vice-president F. D. Ross will continue to have supervision of regional office activities, the handling of nationwide accounts with units located in two or more regional offices, and such other executive duties as may be assigned to him by the president.

W. H. Forristall, presently manager of the eastern regional office, will become assistant to the president.

J. H. Germain, presently assistant manager of the eastern regional office, will assume the duties of manager of that office.

Walter P. Fay, presently executive assistant in the underwriting department, will be advanced to assistant eastern manager, in charge of underwriting and negotiation.

Edgar H. Parker, presently executive special agent, will become superintendent of the underwriting division in the eastern regional office.

Mr. Ross before assuming his duties as vice-president in 1945, acted as assistant to the president since 1943. He joined F.I.A. in 1926 as assistant manager of the Hartford office and was made manager in 1942. He was educated at Massachusetts Institute of Technology and after naval service in the first war was with Underwriters Bureau of Middle & Southern States, New York Underwriters Agency in the special risk department, and with Scottish Union as superintendent of the special risk and brokerage departments.

Mr. Forristall went with F.I.A. in 1919. He became executive assistant in 1940, assistant manager in 1942 and, in 1945, eastern manager. He was educated at Brown University and was in the navy in the first war.

Mr. Germain joined F.I.A. in 1929, was advanced to special agent at Philadelphia and, in 1939, was made field manager for the middle states, in charge at Philadelphia. He became manager of the New York City office in 1940 and was made assistant eastern manager in 1945. He was graduated from Worcester Polytechnic Institute.

Mr. Fay joined F.I.A. in 1914, following graduation from Worcester Polytechnic Institute.

Mr. Parker joined F.I.A. in 1921, following graduation from Worcester Polytechnic.

### First Five Month Fire Loss Total Is \$332,018,000

Fire losses for the first five months according to National Board figures are up \$13,582,000 from the same period in 1947.

For the first five months the total is \$332,018,000. Figures for 1948 thus far and the same period in the two preceding years are:

	1948	1947	1946
Jan.	\$ 63,010,000	\$ 57,180,000	\$ 49,808,000
Feb.	71,521,000	64,247,000	51,759,000
March	74,236,000	72,435,000	53,252,000
April	63,751,000	68,029,000	52,153,000
May	59,256,000	56,545,000	45,094,000
	\$332,018,000	\$318,436,000	\$252,066,000

### N. Y. Department Rules Home Freezer Cover Not Marine

Alfred J. Bohlinger, deputy superintendent of New York, has ruled that insurance against food spoilage in home deep freeze units due to power failure or mechanical breakdown does not fall within the purview of marine powers.

Mr. Bohlinger points out that the writing of coverage on food stored in public cold storage lockers where the relationship of bailor and bailee is present constitutes a distinction. The element of transportation is present here.

## Figures Show Large Amount of Fire Business Is Term

In view of Superintendent Dineen's advice to New York Fire Insurance Rating Organization to do something about term business, it is interesting to review a recent talk he made before the Insurance Section of American Management Assn. In that talk, he called attention to the fact that an analysis of fire premiums written by two large companies in 1945 and 1946 indicates that policies are distributed approximately as follows: One-year policies from 39% to 43%, three-year policies from 40% to 44%, and five-year policies from 11% to 13%. As to premiums the distribution is approximately: One-year policies from 20% to 21%, three-year policies from 53% to 57%, and five-year policies from 20% to 21%.

In this talk and in his letter to the rating organization, Mr. Dineen shows considerable concern about the up and down characteristic of fire insurance profits and losses, and assigns a good share of the responsibility to the long term contract. He indicates that there ought to be a much quicker response of rates to experience than there has been in the past.

The casualty people avoid this problem generally by writing annual policies, he said. Indeed, some companies now are writing six month policies. Thus, in the present inflation, these companies were among the first to increase rates and by the same token were the first to reduce them, largely because the short duration of the policies enabled the management to keep on top of developments. Companies using six-month policies do not rewrite such policies semi-annually but use a continuous form of policy accompanied by semi-annual billing which reflects any rate changes made since the last billing.

### C. W. Varney, Jr., President

Grange Mutual Fire of Rochester, N. H., has elected C. W. Varney, Jr., president to succeed his father, who died in May. He has been a member of the C. W. Varney & Co. agency since 1935 and treasurer of Grange Mutual since 1942.

### SEC Gives Green Light

Old North State of Greenville, N. C., has announced the offer of 100,000 shares of capital stock for \$1,500,000. Commissioner Hodges has issued a certificate of authority to sell the stock, and SEC has notified it that application to register the sale of securities has been authorized as of June 15. The company was chartered in November to do a fire and casualty business with an authorized capital stock of 200,000 shares.

New officers elected by Grand Lodge (Mich.) Assn. of Insurance Agents are: President, F. E. Luethjohann; vice-president, Stuart W. Doty; secretary, Harry O. Culp, and publicity director, J. Riley Oles.

## CLAIMS MANAGER

An outstanding opportunity for a qualified Casualty claim man. Must be a lawyer, age 35-45. This is a Home Office position with a Mid-western company. The man selected must have an excellent record in claims management. Starting salary \$9000.00 per year.

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# NEW MEXICO 1912

New Mexico, "Land of Enchantment," offers permanent home-makers and casual tourists a variety of contrasts. Mountains and plains, forests and fields, quarries, oil and mines contribute to its economy. A million acres yield corn, wheat, cotton, and potatoes and 12½ million are heavily forested. Mining was the territory's first industry and is today its most important, producing coal, copper, petroleum, gold and silver. The state is replete with unusual beauty, Indian lore and historical value. Hot Springs beckons as a health resort and visitors are intrigued with Carlsbad's Limestone Caverns and potash mines. Santa Fe and old San Miguel are storied in song. Aztec's prehistoric ruins, Zuni's Pueblo Indian village, Silver City and El Morro lure the sightseer with fascinating attractions. In 1540, Coronado sought gold in the Sunshine State; today, it's a gold mine for insurance solicitation.



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WESTCHESTER FIRE INSURANCE CO. . . . .	Organized 1837	THE BRITISH AMERICA ASSURANCE CO., U. S. Branch	Incorporated 1833
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## Swelter Through Another N. Y. Accounting Session

NEW YORK — About 100 accountants, statisticians, actuaries, company and organization officials attended the formal hearing on New York's proposed regulation No. 30, which sets up uniform accounting for the fire and casualty business in the state, effective next Jan. 1. Principal objection of the insurance interests was lack of time on a problem of this complexity and magnitude, and that some of the proposals for changing present accounting procedures are not realistic, or would cost more than they are worth.

Deputy Superintendent Martineau swore in the witnesses to make the hearing legal, in case the issue got to the point of judicial review, which the law allows. Deputy Superintendent Morrill produced 30 exhibits to back up the department's view that the problem has been discussed since 1945 and, therefore, ample time had been provided to consider the revisions.

Numerous meetings have been held on the subject, he said. He described the questionnaires submitted to the companies, the revisions made after the answers were received, and the field examinations conducted to give the de-

partment a sound and practical approach to the matter.

James J. Higgins, senior examiner, testified the department had retained expert accountants to assist in the preparation of the proposal. The questionnaires, he stated, were answered by 105 offices representing 253 fire companies, and 90 offices representing 104 casualty companies. Examinations were made of 56 fire offices representing 69 companies, and 81 casualty offices representing 95 companies. This exhaustive research convinced him there was a great lack of uniformity in accounting practices, although this did not mean that the practices were not good.

First spokesman for the National Board, which represented stock fire interests in opposing the proposal, was

Harold C. Conick, head of the Royal-Liverpool group. He quoted remarks made by Superintendent Dineen in a talk before Insurance Accountants Assn. in April, 1946, in which the commissioner said: "If this program is to be a success, it cannot be a product of the companies alone or of the New York department or even the joint product of both." In his talk Mr. Dineen stated that the cooperation of insurers throughout the country was needed, as well as the collaboration of commissioners. Mr. Conick's talk then brought out that the New York proposal had been considered at the recent N.A.I.C. meeting in Philadelphia and that that group took no action but recommended a subcommittee be appointed to study the entire problem. Part 1 of the proposal was agreed to by the Board spokesman with a few modifications but he said that parts 2 to 5, particularly part 3, relating to the allocation of expense groups, required much more study.

### Suggests Different Approach

"It may be that for economy and uniformity an entirely different approach should be made," he stated. Concluding his testimony, he said that the proposal was not brought out in concrete form until spring of this year and that this was much too short a time to permit adequate study or suggestions to be made, and asked for more time.

Joseph J. Magrath, Chubb & Son, was the second Board representative, and he suggested that the problem was one to be settled on a national and not a state basis because the changes affect the annual statement required by N.A.I.C. He centered his objections on the bunching of fire, auto, inland and ocean marine figures into one section and said that the figures produced would be worthless for analysis. At a meeting of the industry committee with the New York department a week ago, he said, many of the company objections to the proposal had been ironed out and he regretted that more meetings weren't held, implying that much of the present difficulty could be met through more joint conferences.

He picked the proposal apart step by step, concentrating on the section referring to joint expenses when one company is managed by another, the lumping of many expenses such as advertising, premium collection and policy writing under acquisition cost, and the

(CONTINUED ON PAGE 13)

## F.I.A. Makes Five Changes at Chicago

There have been four promotions and an addition to the western regional office of Factory Insurance Assn. at Chicago. J. A. Wilson has been named executive special agent; C. J. Stalzer is now superintendent of underwriting; F. W. Robertson is superintendent of the loss department; F. J. Goodfellow goes to Cleveland as special agent in northern Ohio; James A. Davidson has rejoined the organization as executive assistant.

Mr. Wilson joined the Chicago office in 1944 when F.I.A. reinsured Western Sprinkled Risk Assn. He started with the latter organization in 1926 as an inspector and had advanced to assistant manager. He has been doing special agency work out of Chicago and will now be in charge of production and large accounts over the entire territory.

Mr. Stalzer started out with Royal in Chicago and joined F.I.A. there in 1930. He became underwriting supervisor three years later.

### Other Promotees' Careers

Mr. Robertson entered the business with New York Reciprocal Underwriters in 1922 as inspector and special agent. He went with F.I.A. in 1936 at Detroit, was in charge of engineering in Cleveland and in 1945 went to Chicago as engineering supervisor for Ohio.

Mr. Goodfellow began in the underwriting department in 1942 and then became supervisor of nationwide accounts.

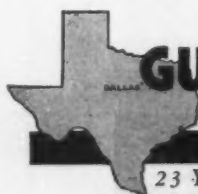
Mr. Davidson has been in the lumber business in New York state for three years after 15 years with F.I.A. He graduated in fire protection engineering from Armour Tech in 1926 and went with Ohio Inspection Bureau. Mr. Davidson became an inspector for F.I.A. in 1929. He entered the underwriting department, became supervisor of the Michigan field and then superintendent of underwriting. He will now assist the management in underwriting matters.

## Graham Warns Against Too High Aviation Loss

James R. Graham, Chicago, vice-president of United States Aviation Underwriters, warned those attending the Ohio aviation clinic at Bowling Green that bad plane rental and other practices must be eliminated by the aviation industry if a current trend toward prohibitive insurance rates is to be halted.

He cited tremendous increases in losses since the end of the war on almost every class of aviation risk and on all sorts of coverage from air lines to private flyers. Mr. Graham called for greater vigilance by the industry in accident prevention and prevention of loss from such sources as fires and windstorms. The alternative, he intimated, could be a decision by insurers to desert the aviation field entirely.

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## STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago  
June 22, 1948

	Par.	Div.	Bid	Asked
Aetna Casualty.....	3.00		52	85
Aetna Fire.....	1.80*		44	46
Aetna Life.....	2.10		50	52
American Alliance.....	1.00*		21 1/2	23
American Auto.....	1.20		40	42
American Casualty.....	.80		11 1/2	12 1/2
American (N. J.).....	.70		16 1/2	17 1/2
American Surety.....	2.50		60	62 1/2
Baltimore American.....	.30*		7 1/2	Bid
Boston.....	2.40		65	68
Camden Fire.....	1.00		19 1/2	21
Continental Casualty.....	2.00*		50	51 1/2
Fire Association.....	2.50		55 1/2	57 1/2
Fireman's Fund.....	3.00		100	103
Firemen's (N. J.).....	.50		13 1/2	14 1/2
Franklin Fire.....	1.00		21 1/2	Bid
Glens Falls.....	1.60		45	46 1/2
Globe & Republic.....	.50		9 1/2	10 1/2
Great Amer. Fire.....	1.20*		31 1/2	33 1/2
Hanover Fire.....	1.20		27	28 1/2
Hartford Fire.....	2.50*		111	114
Home (N. Y.).....	1.30		28	29
Ins. Co. of North Am.....	3.00		100	103
Maryland Casualty.....	.30		15 1/2	16
Mass. Bonding.....	1.60		27	29
Merchants Fire, N. Y.....	1.15*		28	30 1/2
National Casualty.....	1.25*		26	27 1/2
National Fire.....	.30*		44 1/2	46
National Lib.....	.30*		6 1/2	Bid
New Amsterdam Cas.....	1.00		27 1/2	28 1/2
New Hampshire.....	1.00*		41 1/2	43 1/2
North River.....	1.00*		24 1/2	25 1/2
Ohio Casualty.....	.80		40	Bid
Phoenix Conn.....	2.00*		84	87
Preferred Accident.....	.40		4	4 1/2
Prov. Wash.....	1.40*		32	33 1/2
St. Paul F. & M.....	2.00		77	80
Security, Conn.....	1.40		26 1/2	28
Springfield F. & M.....	1.90		44	46
Standard Accident.....	1.45		32	33 1/2
Travelers.....	18.00		580	590
U. S. F. & G.....	2.00*		50	52
U. S. Fire.....	2.00		53	55

\*Includes extras.

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## Five Chicago

Promotions and regional office assignments at Chicago have been named. J. Stalzer is underwriting; E. J. Schodde is a fellow going to northern Illinois; has rejoined Chicago office; started with in 1926 as and to assist in doing special Chicago and will production and entire territory with Royal in there in 1930 g supervisors

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## BIG SPORTS, BUSINESS RALLY

### Record Crowd at Minnesota Field Roundup

By ROY W. LANDSTROM

With a record attendance, four Minnesota field groups gathered last week at Gull Lake near Brainerd for their annual summer roundup. New officers were elected by Minnesota Underwriters Assn., Northwest Bureau Field Club, and Minnesota Fire Prevention Assn. The affair was closed with a Blue Goose banquet at which contest prizes were awarded.

The new president of the Minnesota Underwriters Assn. is George Van Wagenen, Van Wagenen general agency of Minneapolis. Nick Dekker, America Fore, is vice-president, and Neil C. Selvig, Security of New Haven, is secretary-treasurer. Mrs. Gertrude Sirois, who has been secretary of the association for a number of years, was reelected and received a tribute from many of the speakers.

New members of the M.U.A. executive committee are R. W. Carlstrom, Glens Falls; T. T. Karlquist, Royal; G. W. Scodde, Home; Paul Olinger, Agricultural, and R. R. Hayes, Crum & Forster.

#### Klinkenborg Reports on Year

Jack Klinkenborg, Phoenix of Hartford, retiring president, in his report summarized the year's activities, and emphasized the success the group has had in its fire prevention and public relations work.

Mr. Klinkenborg mentioned that in the public relations field, M.U.A. has divided the state into 15 regions with a field man and local agent acting as joint chairmen. The association increased its list of opinion leaders by nearly nine times last year. He gave a detail report on the radio broadcasts sponsored by the association and paid tribute to Paul Olinger, who arranged the schedules.

Local agents in St. Paul and Minneapolis utilized the facilities of M.U.A. in conducting two C.P.C.U. classes and the field men held a speech class presided over by University of Minnesota faculty members. The field men gave 32 talks during the year in addition to their radio broadcasts.

#### Entertain 525 Firemen

The group also sponsored a luncheon at the Minnesota fire chiefs' convention and were hosts at a smorgasbord for 525 volunteer firemen who attended the fire school at St. Paul.

Mr. Van Wagenen, the new president, gave a report on the meeting between the executive committees of the Minnesota Assn. of Insurance Agents and M.U.A. He stated that the meeting was successful and a resolution was adopted calling for a meeting of the groups each year.

Committee reports were given by Robert Belford, London Assurance, uniform forms; Leonard Bell, Hanover, legislative; Mr. Dekker, treasurer; Joseph Brink, T. E. Linnell general agency, C.P.C.U. courses, and Mr. Olinger, public relations.

The association elected Clarence Mitchell, assistant manager of Fire Underwriters Inspection Bureau, an honorary member.

#### Burke Is Bureau President

Northwest Bureau Field Club elected T. J. Burke, Ohio Farmers, the new president to succeed H. W. Houd, Loyalty group. E. C. Erland, Loyalty group, is the new vice-president.

The Fire Prevention Assn. elected Glen Schodde, Home, as president. Other officers are: vice-presidents, Leonard Hagen, Employers Fire, and Grant Buchanan, Agricultural; secre-

tary-treasurer, H. W. Houd, Loyalty group.

Guests at the meeting were Armand Harris, commissioner, and Leonard Lund, deputy commissioner of Minnesota, both of whom had just returned from the commissioners' meeting at Philadelphia. They spoke briefly.

The sports contests, which are always a big feature of the Minnesota field gatherings, started the morning of the first day and were concluded with awarding of prizes at the Blue Goose dinner. Awards were made by John E. Jackson, Home, and the winners were: Rifle shoot, Carl Lill, Sun; Guy Wil-

liams, America Fore; Herbert Johnson, Duluth Rating Bureau. Shuffleboard, David White, Home; Stanley Friedlund, Sexton general agency; Jack Klinkenborg, Phoenix of Hartford. Ping pong, Glen Schodde, Home; Atton Goodspeed, Northern of London; D. F. Lennon, Royal. Blind bogey, Earl Munson, Northwestern F. & M.; Donald McLennan, Minnesota Rating Bureau; John Landmark, Minnesota Rating Bureau. Clock golf, Nick Dekker, America Fore; R. W. Whitchurch, American; Thomas Marron, Frank Rogers general agency. Darts, Roy Curwen, Royal; R. R. Hayes, Crum & Forster; Leonard

Hagen, Employers Fire. Quoits, Andrew Phillips, National Union; Grant Buchanan, Agricultural; Ted Valine, Connecticut Fire.

#### C.P.C.U. Course at St. Louis

ST. LOUIS—A C.P.C.U. course will be offered this fall at Washington University in cooperation with Insurance Board of St. Louis. The board also is offering a correspondence course on insurance.

The S. Major Dent agency, Little Rock, has been merged with the insurance department of Fausett & Co., realtors. Mr. Dent is a past president of the Greater Little Rock Insurance Exchange.

## A heritage that became a tradition



In early-day San Francisco, the '49ers again and again refused to take "ashes" for an answer as they saw their tinder community repeatedly go up in flames. This was the heritage which found expression in the organizing of the gallant Volunteer Fire Companies, which in 1863 inspired the founding and naming of California's own insurance company, Fireman's Fund.

Events soon proved that this heritage of perseverance had become a tradition in guiding the destiny of the new Company. For it was only a few years later, in the early '70's, that this pioneer Western company won the acclaim of the nation for overcoming seemingly insurmountable obstacles to settle all its claims in the great Chicago and Boston conflagrations. And then came April 18,



"They Wouldn't Take Ashes for an Answer"—an illustrated brochure has been published and released by Fireman's Fund in commemoration of its 85th Anniversary.



Fireman's Fund Corner, April 18, 1906

1906 and the most severe test any insurance company ever faced. Again, like a voice out of its colorful past, came the resounding answer to the "challenge of the ashes" as Fireman's Fund settled over eleven million dollars in claims to help rebuild its home city. Today, with the Strength, Permanence and Stability born of 85 years of successful operations, Fireman's Fund, now world-wide in scope, still carries on the heritage that became a tradition — "they wouldn't take 'ashes' for an answer."

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## Mont. Court Holds Subrogee Barred in Tort Claims Act

Another decision has been handed down in the highly important question of whether under the federal tort claims act of 1946 a subrogee has equal rights with an original claimant to bring suit for recovery against the federal government. Here the Montana federal district court, in Cascade county, Montana, et al vs. U. S. A. held that the act does not cover claims of subrogees. Its theory is that no loss was suffered by the insurer because of the negligent destruction of the property, but that its loss, if any, was because of the contract entered into between itself and the owner of the property. The court held that in using the words claimant and claimants, Congress meant the original owner of the claim and not one who derived all or a part of the claim from the original owner. It was held that subrogation is an assignment such as is prohibited by the assignment of claims act.

The action was brought by Cascade

county and Home in behalf of itself and 71 other insurers, for loss of a barn that belonged to Cascade county and that was located on county fair grounds which was destroyed by fire after an army bomber crashed into it.

There have been several decisions, some by appellate courts, holding that subrogees and original claimants enjoy equal standing under the law.

## Colo. Agencies Move

Lyman, Richie & Co., local agents of Colorado Springs, have moved to new quarters at 325 North Tejon street. This agency is owned by William F. Prindle and Ann G. Daly. Mr. Prindle is also vice-president of Lyman, Richie & Co. of Chicago.

The Kirk Insurance Agency of Colorado Springs has moved to a new ground floor location at 325 North Tejon street. The new location provides ample space for the expanded business activities. The agency was established Jan. 1, 1947.

John M. Kirk, owner, is general chairman for the Community Chest.

## Walter Ruegnitz Retires from Service of Buffalo

Walter R. Ruegnitz, who has been at the head office of Buffalo for a good many years, has retired but he may en-



WALTER R. RUEGNITZ

gage in some insurance activity of a research nature. Until he went with Buffalo he had been automobile manager of Springfield Fire & Marine at Chicago, and was active in the councils of the automobile underwriters there, and then for a time did statistical work for North America. He has always been absorbed in fundamental problems of the business, particularly in the automobile line, and has devised several innovations, especially in collision insurance.

## Rating Body Studies Letter from Dineen on Term Cover

The governing committee of the New York Fire Insurance Rating Organization at its meeting this week was expected to consider Superintendent Dineen's letter on term discounts and the discontinuance of the 5-year term policy. The suggestions in the letter will probably be referred to the committee on rules and regulations and be reported on at a later date.

The letter is expected to crystallize opinion on the problem of term coverages and some action undoubtedly will be taken as a result.

Companies have been thinking of the term problem since the post-war inflation placed a heavy strain on their reserves and surplus. Nothing has been done about it because the earlier efforts to sell term coverage might be misconstrued by the public if they were discontinued now. At least one of the major companies last year discontinued issuance of new 5-year policies, confining its facilities in that direction to renewals.

## Work on Fire Prevention Problem in Enemy Attack

WASHINGTON—Leaders in the field of fire protection including a number of insurance men, have been named by R. J. Hopley, director of the office of civil defense planning, on an advisory panel to help with particular reference to minimizing fire damage in event of an enemy attack.

The group will meet with Frank C. McAuliffe, chief of the Chicago Fire Patrol and president International Fire Chiefs Assn., in the office of Secretary of Defense June 23-25 to discuss problems in that connection. Chief McAuliffe who is fire fighting adviser to the office of civil defense planning, will act as chairman of the advisory panel.

Representatives of insurance and related interests on the advisory panel include J. Robertson, Underwriters

Laboratories; Alvin Lauber, National Board; Earl Smith, American District Telegraph, New York; Ray Bond, National Fire Protection Assn.; E. O. Hutton, National Safety Council; John West, Associated Factory Mutuals, Philadelphia.

## Loss Heavy in DC-6 Crash: Hull Was Self Insured

A preliminary survey by Associated Aviation Underwriters shows that 13 accident claims totaling \$185,000 will be paid on the deaths of 39 passengers and four crew members in the United Airlines DC-6 that crashed last week at Mt. Carmel, Pa. All on board were killed when the airliner smashed through a 60,000 volt power line while the pilot was trying to make an emergency landing.

United Airlines is self insured for crash relieving United States Aviation Underwriters of an estimated \$650,000 to \$850,000 hull loss. U.S.A.I.G. has the ground coverage and the passenger and public liability and compensation for the air line. The amount of loss under these coverages is not yet known.

There is no statutory limit to recovery for wrongful death in Pennsylvania. The compensation loss will amount to about \$30,000.

The crash ranked fourth in U. S. airline history in the number of persons killed.

The DC-6 crash was the fifth major airline loss this year, but the first major 1948 hull loss not borne by an insurer. Three of the earlier crashes were in the U. S. market and the fourth in London. It was the first DC-6 loss of the year, the earlier disasters having been in Constellations and DC-4s. The DC-6 is a post war developed airliner and was involved in the Bryce Canyon, Utah, catastrophe last October when 52 persons died.

Associated Aviation Underwriters points out that all of the accident policies outstanding were discovered prior to a claim having been presented. In fact, as late as four days after the accident, only one such claim had been made.

Less than 24 hours after the crash, American International Underwriters mailed checks in full payment to the beneficiaries named in accident policies carried by two of the victims aboard.

## Little Clayton Act in N. J.

The New Jersey legislature has passed a "little Clayton act," permitting interlocking directorates and common management and the purchase of the stock of other insurers unless these practices substantially lessen competition generally or create a monopoly. The insurance commissioner is empowered to issue cease and desist orders against companies after hearings.

Henry A. Steckler Co., New Orleans general agency, held its annual picnic at Fontainebleau Park, with about 100 in attendance.

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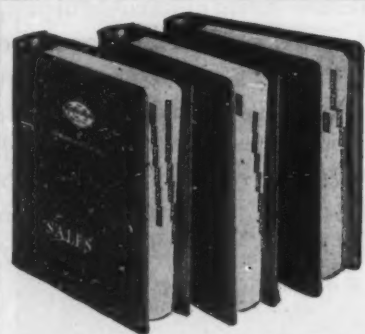
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## NEWS OF FIELD MEN

### Indiana F. U. A. Elects Ressler

New officers elected by Indiana Fire Underwriters Assn. at its annual meeting at French Lick are: President, Edwin P. Ressler, National Fire; vice-president, Ralph O. Hudler, Aetna Fire; secretary-treasurer, Elizabeth S. Cooper, (reelected); executive committee, R. W. Swanson, Royal-Liverpool; Charles L. Rosenow, Phoenix of Connecticut; Don. G. Kaga, Secured F. & M.; S. M. Albrecht, Phoenix of London; Clark W. Little, Sun.

Alwin E. Bulau of Home, retiring president in his annual address expressed pride over achievements of the fire industry. "Within the past 12 months fire insurance has begun a march into a new era involving changes never experienced before in a similar given period," he said.

Many companies have taken action to equalize an ever troublesome acquisition cost problem. Loss adjustment practices have been improved. Laws have been altered and amended.

He said it was his ambition when he took office a year ago to concentrate on public relations and educational programs. Good results had been achieved under leadership of two committees, public relations, headed by Walter G. Dithmer, Ray & Dithmer, chairman, and educational, R. W. Swanson, Royal-Liverpool, chairman.

#### Notes New Ind. Commission

Indiana has been one of the leaders in these efforts, he said. Governor Gates has cooperated by setting up a state commission which participated in recodification of insurance law. Mr. Bulau anticipates that certain alternatives still may be needed to conform with federal acts.

He urged that the membership comply fully with the association's balance rule. "It now appears," he said, "that a financial emergency is about the only situation which will induce a majority of our membership to take advantage of this credit data."

R. E. Baker, special representative Western Underwriters Assn., Chicago, appealed for full cooperation in the broad public relations program being set up by W.U.A.

Among guests were Herbert A. Payne, vice-president, and Arthur J. Etzel, assistant secretary, Home; J. J. Hubbell, resident secretary Security, Chicago; C. J. Lingenfelder, assistant secretary America Fore, Chicago; G. R. Cundiff, farm secretary; John R. Munson, assistant manager farm department, and E. V. Smaidginnis, assistant to the manager, all of Home at Chicago; R. F. Irvine, manager, and G. L. Hanselmann, general adjuster, both of Western Adjustment at Indianapolis; H. F. Perkins, manager Underwriters Adjusting, Evansville, Ind.; J. T. Dalton, manager Western Adjustment, New Albany; S. K. Gray, assistant U. S. manager of Yorkshire.

The memorial committee reported on death of Eugene H. Johnson, Home, retired. A message of sympathy was sent to J. C. Johnson, North British, who is in a St. Louis hospital recovering from an eye operation. R. O. Graves, Hartford, was master-of-ceremonies at the banquet in which there were no speeches.

H. W. Montgomery of Ray & Dithmer enlivened the proceedings in awarding prizes to the winning athletes, with humorous stunts.

#### Name Kan. Steering Group

Howard S. Searle, Topeka, state agent of Crum & Forster, has been named chairman of the executive committee of Kansas Fire Underwriters Assn. Committee members are H. R. Joyce, National Union, and W. E.

Stewart, Fireman's Fund, both of Wichita; H. O. McIntosh, Hanover, and Earl Walker, North British, Topeka, and Merle E. Odell, America Fore, Kansas City.

#### Arndt San Francisco Head

New officers of San Francisco Blue Goose, elected at the annual meeting last week, are: Sig Arndt, Finn, Smith & Mederaft, most loyal gander; H. H.

Cobb, Loyalty group, supervisor; G. F. Potts, custodian; Thomas E. Green, Hartford, guardian, and John Park, General Adjustment Bureau, keeper. Harrison Houseworth was reelected welder, a post he has held for many years.

Delegates to the grand nest are John H. Martin, Standard Forms Bureau, and Mr. Arndt; alternates, Elmer Bonstin and F. L. Ingersoll.

#### Johnson to Hanover in Ga.

Allan B. Johnson has joined Hanover as Georgia state agent succeeding Charles B. Shelton, Jr., with headquar-

ters in Trust Company of Georgia building, Atlanta. He is a graduate of Georgia Tech and he served in the armed forces. Recently he has been North Carolina special agent for Automobile.

#### Castle, National Field Veteran, Is Retiring

C. E. Castle, special agent in Illinois is availing himself of the opportunity to retire from active duty under the pension plan of National Fire.

Mr. Castle has served National Fire more than 34 years, handling principally

An advertisement similar to this appears in SATURDAY EVENING POST, May 22



Signing of the Alaska Treaty, March 30, 1867, that gave the United States a territory vastly rich in resources for a payment of \$7,200,000. Pictured are Robert S. Chew, Chief Clerk, State Department; William H. Seward, Secretary of State; William Hunter, 2nd Assistant Secretary; Waldemar de Bodisco, Secretary to the Russian Legation; Baron de Stoeckl, the Russian Minister; Senator Charles Sumner, Chairman, Foreign Affairs Committee, and Secretary Seward's son, Frederick, Assistant Secretary of State. From a copy of Leutze's painting by Lynn Fausett and Helen Wessells made for Alaska Historical Library and Museum, Juneau.

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farm business in northern Illinois. He was honored at a luncheon given by Vice-president E. H. Forkel at Chicago where his friends and associates presented him with a gift.

Marion Dace, who has served in the various underwriting departments at Chicago, will replace Mr. Castle as special agent with headquarters at Chicago.

### La. Pond Elects Reese as M.L.G. at Outing Rally

Austin Reese, Royal-Liverpool, was elected most loyal gander at the annual meeting of Louisiana Blue Goose at Colonial Country Club, New Orleans. Theo. Hickey, Godchaux & Mayer, is supervisor; C. A. Brown, Phoenix of Hartford, custodian; R. K. Moyer, Moyer & Co., guardian; W. S. Bizzell, manager Louisiana Rating & Fire Prevention Bureau, keeper; E. T. Miazza, General Adjustment, welder. Mr. Miazza is retiring M.L.G.

Four candidates were initiated. There was a golf tournament, horseshoe pitching and putting contest, with prizes, then a barbecue dinner attended by some 150 ganders and their ladies.

### Arkansas Blue Goose Names Marshall M.L.G.

Arkansas Blue Goose has elected Clyde B. Marshall, Phoenix of Hartford, as most loyal gander. Supervisor is William W. Leigh, L. B. Leigh agency; custodian, Charles D. Swan, Jr., Springfield F. & M.; guardian, Jack G. Parsons, North British; keeper, R. A. Allison, Trezevant & Cochran general agency, and welder, Ralph H. Baker, R. H. Baker general agency.

### N. Y. City Pond's Slate

The slate for the election June 25 of New York City pond of Blue Goose consists of Jack B. Quisenberry, Johnson & Higgins, m.l.g.; George P. Albiez, Pearl, supervisor; Walter W. Emely,

Automobile Adjustment Bureau, custodian; Walter E. Sheldon, Continental, Newark, guardian; Robert F. Stumpf, keeper, and Floyd C. Pickett, Home, welder. The election will be held at the annual outing June 25 at Rocks Spring Country Club, West Orange, N. J.

### R. A. Kenzel Joins Caledonian in Wis.

R. A. Kenzel, who is nationally known as grand welder of the Blue Goose, has resigned as resident manager for Phoenix of London at Milwaukee, to become Wisconsin state agent of Caledonian. He takes the place of Victor A. Penn, who is entering the local agency business.



R. A. Kenzel

Mr. Kenzel started in the business in 1916 at the head office of Home. In 1927 he went with National Liberty in the underwriting department and after being located for a time at Pittsburgh, joined Northern Assurance. He served at the head office and later traveled in the Wisconsin field. He had been with Phoenix since 1942.

### N. J. Fire Prevention Assn. Organized, Elect Fortman

New Jersey State Fire Prevention Assn., which has been in the process of organization for the past month, met last week to elect officers and set up a permanent organization. Clemens A. Fortman, Fireman's Fund, is president. Other officers are: Vice-president, Edmund M. Neary, American; secretary, D. Donald Hall, Corroon & Reynolds; and treasurer, Fred L. Bross, Yorkshire. A constitution and bylaws were adopted, and the group plans to conduct town inspections starting in the fall. The meeting drew 180 field men to Newark.

### West Texas Pond Elects

West Texas Blue Goose, now holding the grand nest membership cup for the largest percentage gain in membership, has elected Wick Mallalieu, Great American, most loyal gander. He and C. O. Hall, Crum & Forster, were elected delegates to the grand nest.

Supervisor is Harry Pate, General Adjustment Bureau, Amarillo; guardian, Cliff Nott, Trinity Universal, Abilene; custodian, Ernst Zahl, Loyalty group, Amarillo; keeper, Herndon D. Johns, Home, Lubbock; welder, Alton Hall, independent adjuster, Lubbock.

Grand Keeper Beale presented Tom Hamm, Trezevant & Cochran, retiring most loyal gander, a diamond pin on behalf of the pond. Eighteen candidates were initiated.

### Sellers to Va. for Aetna

Allen O. Sellers, special agent for Aetna Fire, is being transferred July 1 from Rochester, N. Y., to Richmond, Va. He succeeds E. Richard Lightfoot, resigned.

Mr. Sellers joined Aetna in 1941 in the fire, inland marine and special risks departments. After two years in the maritime service he returned to the company at the Rochester office.

### Ark. Preventionists Elect

LITTLE ROCK—Arkansas Fire Prevention Assn. has elected Jack G. Parsons, special agent of North British, as president; Barron Lange of Bird, Lange & Maris, general agents, Little Rock, vice-president; George Hawbecker, Fidelity & Guaranty, secretary, and Howard T. Shepherd, Shepherd & Co., general agents, treasurer. Carl S. Smalley,

engineer of Arkansas Inspection & Rating Bureau continues as executive secretary, and George D. Suter, bureau manager, continues as a director.

### Sharpe Mich. State Agent for North British

Special Agent James N. Sharpe has been advanced by North British to state agent in Michigan in charge of the territory formerly supervised by State Agent W. W. Ayrault. Mr. Ayrault recently went to Minnesota as state agent to succeed Walter Paul, who joined Boston.

Mr. Sharpe, who will take over the new post July 1, has been special agent in the service department in Michigan, and he will work out of the same headquarters, 1341 National bank building, Detroit. He has been with North British since 1946, and previously for several years was with Michigan Inspection Bureau.

### Berry Milwaukee Head, Cameron Wis. State Agent

Frank G. Berry has been named manager of the Phoenix Assurance Milwaukee service office, succeeding R. A. Kenzel.

An attorney, Mr. Berry has been with the company 12 years and was manager of the group loss department at Milwaukee. Rex O. Bost, assistant manager, continues in that position.

Don A. Cameron, special agent in western Michigan, has been transferred to Milwaukee as state agent.

### Peters Had Long Career in Illinois Field

Ben F. Peters, who retired this month as Illinois executive state agent for Royal, started his insurance career with National Fire in 1909 and was with that company until 1928 except for two years with National Inspection Bureau.

He went with Queen as state agent in 1928. When consolidation took place, he was appointed executive state agent for the Royal-Liverpool group in Illinois.

Mr. Peters was president of Illinois Fire Underwriters Assn. in 1933 and 1934.

### Atkinson Makes Change

J. Ross Atkinson is resigning as special agent for the Virginia rating bureau, which post he has held for a number of years. It is reported that he is going with Commercial Union as special agent for Virginia with Richmond headquarters to succeed the late Joseph N. Jacobs, who supervised that field for 25 years.

### Revises S. C. Operations

Great American has revised its South Carolina operations whereunder the business for that state, except hail, will be supervised by the North Carolina-South Carolina department with headquarters at Raleigh. The hail department service office, also located at Raleigh, will continue as at present.

### Doyle Shifted to Seattle

American has appointed W. J. Doyle, formerly in the Pacific Coast department at San Francisco, special agent at Seattle to assist H. R. Breshears, in charge of the Washington field.

Jack M. Carr, formerly, state agent of St. Paul at Seattle, has gone with the Sherwood & Roberts agency at Yakima.

### Marine Treatment Allowed

Machinery and equipment for the construction of an oil cracking or similar plant may be handled as an inland marine risk while in transit to the place of installation and during the period of installation and testing. A ruling to this

effect has been issued by the joint committee on interpretation and complaint. The coverage must cease when the machinery and equipment has been accepted as satisfactory or the interest of the seller ceases, whichever is first.

It was also ruled that coverage on the materials intended to constitute a part of a building or storage tank must terminate when the materials become a part thereof.

### W. A. Anderson to Fireman's Fund Ind. at Chicago

W. A. Anderson has resigned as superintendent of the casualty department at the head office of Central Surety to become manager of the casualty department in the western department of Fireman's Fund Indemnity at Chicago. Mr. Anderson has been an insurance man since 1923, having started at Chicago with Continental Casualty. He subsequently was with American Employers, Crum & Forster at Freeport, and then in 1936 became Chicago manager of Central Surety. Since 1942 he had been at the head office.

### Scottish Union Names Shaw

Scottish Union has appointed George R. Shaw state agent having jurisdiction for eastern Massachusetts and Rhode Island, with headquarters at Boston.

Mr. Shaw has served as a field man in Maine, New Hampshire and Vermont and subsequently in eastern Massachusetts and Rhode Island, and has had home office agency and production experience. Recently he has been executive capacity man in New York City.

H. L. Stoddard, marine adjuster for Home at San Francisco, is retiring June 30. He joined Home in 1929. Previously he was with Automobile for 11 years. He entered the business with Fireman's Fund in 1911.

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## NEW YORK

### BROKERS' SECRETARY

At the June meeting of General Brokers Assn. of the Metropolitan District Joseph F. Conroy, acting secretary-treasurer, was elected officially. He is a partner of Zaun, Conroy & Mulrooney.

### EDGETT NOW PRESIDENT

Russell Edgett, formerly vice-president, has been elected president of Thomas J. Hogan, Inc., of New York City. He has been with the organization since 1933, previously having been with Glens Falls.

### GOELLER HEADS COMMITTEE

Joseph T. Goeller, London & Lancashire, has been elected chairman of the committee on fire patrol and a director of the New York Board. A. J. Smith, Zweig, Smith & Co., has been elected vice-chairman of the committee.

### NAMES HOEY, ELLISON

American National Fire has appointed Hoey, Ellison & Frost as New York metropolitan agent.

### SCHIFF SONS PROMOTED

William Schiff, Jr., and Frank E. Schiff have been elected corporate officers of the New York brokerage firm of Schiff, Terhune & Co. They are sons of William Schiff, the president, and grandsons of the founder, Simeon Schiff. William Schiff, Jr., becomes vice-president of Schiff, Terhune & Co. of Illinois and also heads the internal organization and administration department. Frank Schiff is named vice-president of Schiff, Terhune & Co. of Wisconsin and heads a newly created department of new business and client relations.

William Schiff, Jr., attended University of Virginia and was with Schiff, Terhune & Co. prior to entering the army. Frank Schiff attended Hamilton college and served in the army during the war. He was at London Lloyds for several months engaged in study, and then joined Schiff, Terhune. A third son, Terry Schiff, died in the service.

### NEW YORK CITY TAX DOUBLED

The city council and board of estimate in New York City have voted to double the business tax from 1/10 to 1/5 of 1%. This is the tax applicable to New York City premiums of all insurance companies. It used to be 1/20 of 1%, and then was doubled to 1/10 of 1% two or three years ago. Under a case just recently decided, annuity considerations are not subject to the business tax.

The insurance interests have opposed the hike in the levy, and a hearing before the mayor is scheduled for later this month.

## CHICAGO

### Grupe Joins Agency Firm in Charge of Lloyds Lines

Albert H. Grupe, who has just resigned as vice-president of the Illinois corporation of Jones & Whitlock after having been in charge of its office at Chicago for 13 years, has joined the firm of the MacGibeny-Wilkerson Agency there and the firm's name has been changed to MacGibeny, Wilkerson & Grupe, a corporation. Mr. Grupe takes charge of all the agency's Lloyds operations. The other active member of the agency firm is Frank R. MacGibeny, who formerly for a number of years was office manager and secretary of the Jones & Whitlock Chicago office.

Mr. Grupe has specialized in the Lloyds field for many years and has direct contracts with the London under-

writers which he is merging with the agency.

MacGibeny, Wilkerson & Grupe also has all other insurance facilities except life. Since Mr. MacGibeny resigned from Jones & Whitlock several years ago to form his agency he has had considerable success.

Mr. Grupe started in insurance with the old Blossom agency of St. Louis; then was special agent and state agent in Missouri for Continental, traveled in a number of midwestern states for that company before going to the head office at New York city. Subsequently he was vice-president of the old H. G. B. Alexander & Co. agency at Chicago, a partner in the Strom, Carlson & Grupe class 1 agency there, then formed his own office specializing in Lloyds risks. His personal Lloyds business was

merged with Jones & Whitlock office when Mr. Grupe took charge. Under his direction a large volume of these lines was built up.

### GILLESPIE FIRE MANAGER

Fred D. Gillespie has been appointed fire insurance manager at Chicago for the Atlantic Mutual group. He moved there from Detroit where he has been operating as state agent for Atlantic Mutual. Prior to going with Atlantic Mutual about two years ago, he had been with General of Seattle at Detroit for about 10 years.

Dade & Latimer Insurance Corp. of Richmond is a newly chartered agency. Walter M. Evans is president; T. C. Crouch, Jr., vice-president; Helene B. Agee, secretary.

### Semi-Annual Clean-up of Balances Nears Completion

Field men are now completing their semi-annual clean-up of agency balances. Generally it is the March balances that the agents are being importuned to remit. Some of the field men say that their list is fairly sizable this time and that it includes agents that have not heretofore appeared on it. In the main, there is little difficulty in getting the remittances, most of the agents on the list saying that they were on the point of doing so but had just not gotten around to it. Field men say that the agents are reporting increased difficulty in collections. The situation is by no means alarming, however.

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## EDITORIAL COMMENT

### The Gross Rate Classification

In addition to the automobile third party rate classifications of A-1, A-2, A-3 and B, there is now, to all intents and purposes, a fourth classification, for which the insurer receives 25% more premium for its own account. This is the assigned risk classification.

The way that the automobile assigned risk plan has developed has important implications, and it is probably well to appraise the situation and see whether what is wanted is to let the situation drift, or whether some even bolder action than has been taken so far is wanted to convert certain types of risks into acceptable risks in the ordinary course.

The assigned risk plan was conceived as an instrumentality for taking care of the occasional egregiously inferior risk, but it is rapidly developing into a means of apportioning classifications of risk that all of the underwriters have discovered are unprofitable at the going rates, these classifications being mainly those in which there is a driver under 25 and in which there is an elderly driver with emphasis on the former.

Some agents and agencies have resigned themselves to this fact and where there is a young driver, they don't even bother to submit the risk to their company, but simply take whatever steps are necessary to put the proposal directly before the assigned risk plan. And, from a dollars and cents standpoint, the underwriter is satisfied with a risk that he gets from the assigned risk plan, despite the fact that he would not tolerate it as direct agency business. The answer boils down to one of rate. Through the assigned risk plan the underwriter gets the business for the gross rate, whereas direct he would have gotten it at the net rate. There is a 15% surcharge on assigned risks and the agent's commission is but 10%. The agent is contributing 10% to the cost of carrying the risk, and the assured is contributing 15%.

From the agent's standpoint this is not a happy solution but it is one to which he has become reconciled by the necessities of the situation. He doesn't like the idea of sacrificing the commission and he doesn't like the idea of letting the placement of the business get out of his own hands.

What is being done indirectly could just as well be done directly but that would involve an acceptance of certain things which perhaps the state and the insurance business are not prepared to

accept. It is probably correct to say that the underage driver risk is perfectly acceptable at a premium of 25% more than it is now paying, and with such a rate most of this business would be handled directly by the companies, yet it must be conceded that there would be a great deal of resistance on the part of supervising authorities to such a program. Perhaps a 15% increase could be put into effect because that is now what assigned risks are paying, but this might be conditioned upon a 10% commission to agents on this particular classification. Here is, of course, the big rub. If such a principle should be established for a particular classification, the question of discrimination would arise and certainly, when rate increases would be sought in other classifications, the proposal would be advanced to take the alternative and reduce the compensation of the producer. We doubt very much that the agents would want to have introduced the principle of a varying rate of commission as between various sub-classifications of a business.

The situation is somewhat reminiscent of the old days of equity rating and before the idea of graduated expense by size of risk was ready for acceptance. Individual agents were willing to take very low commissions under equity rating in order to retain or capture a risk, but the agents as a whole were not prepared to accept the principle of graduation of commissions. This is simply by the way because, while it was inevitable that the big risk situation, particularly as respects workmen's compensation, was such that the agents were bound to have to come around to the idea of graduation if they wanted to retain such business for the agency market, we don't necessarily feel that it is inevitable that agents must come around to accepting, in principle, the idea of splitting commissions with the young, problem passenger car driver.

By the practical operation of the market, it has been necessary for agents to accept a lower rate of commission on certain difficult lines such as long haul truck, bus and taxi business, but here the big risk element is injected into the picture. It is quite another thing to submit to the idea that the agent should make a contribution to the small individual risk that falls into a classification for which the going rate level is insufficient.

The forthright action is for the com-

panies and the bureaus, aggressively to seek a rate that will create a normal market for the risk with the young driver. In introducing recently the new A-3 classification for such risks, the bureau declared that the rate increase involved was only a half-way measure, that the income would still be inadequate.

Possibly from political and psychological reasons, it may be necessary to step up these rates gradually, and if

that is done before too long, and there can be established a normal rate that will take care of the situation and not penalize the agent, then this problem will have been solved, but if it is not solved and if an even more formidable volume of automobile business is handled via the assigned risk route, the agents will be in the position of accepting a principle that could very well lead to things that would plague them in other directions.

## PERSONAL SIDE OF THE BUSINESS

**Robert M. Perce**, production manager of Atlantic Mutual, was in Chicago a few days conferring with Manager Arthur F. Bennett. Mr. Perce is a brother of Hyde Perce, who is insurance editor of the Chicago "Journal of Commerce."

**Ebbe Wijkander**, assistant manager for Svea Fire & Life of Gothenburg, has completed 9,000 miles in his automobile tour in this country while surveying insurance operations. The government in Sweden has ordered companies to break down into separate life, and fire or casualty units. An earlier report indicated that the fire and casualty companies would also have to be operated separately.

**John J. O'Brien**, account executive of the Rollins, Burdick, Hunter agency of Chicago, has been elected a director of Chicago Junior Assn. of Commerce. He is one of the leaders in this organization and made his mark last year as chairman of the pedestrian safety committee. He is also much in demand as a toastmaster. He has been with R.B.H. the past five years. He attended Northwestern University.

**Dudley F. Giberson**, local agent at Alton, Ill., and Mrs. Giberson announce the birth of a son, their fourth child, who has been named Edward Engelhardt Giberson. There are two other boys and a daughter in the family.

**Richard N. Olofson**, independent adjuster of Minneapolis, has been on deck at Philadelphia as a delegate to the Republican convention. He is a thorough-going Stassen man.

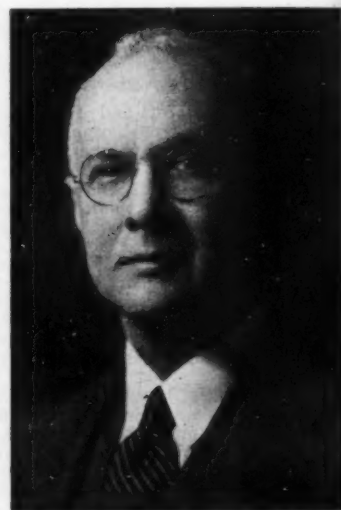
**Daniel deR. Scarritt**, general manager of Associated Aviation Underwriters, is on a month long tour of the group's offices throughout the country.

**R. E. Baker**, special representative of Western Underwriters Assn., Chicago, had a rather sketchy formal education as a youth and never got a diploma from grade or high school. Therefore for years he yearned for a certificate or diploma as concrete evidence of his educational attainments. About five years ago he entered the evening college of Northwestern University, majoring in philosophy.

Commencement was held at N. U. last week, and Mr. Baker had prepared for it with elation, for in five years of hard evening work he had managed to qualify for a diploma in philosophy. Then it became necessary for him to attend the French Lick annual meetings of the Kentucky and Indiana Fire Underwriters Associations last week and he

had to make special arrangement with N. U. to be granted his diploma in absentia. After all he lost the opportunity to don the cap and gown.

Vice-president **Henry R. Tomlinson** of the Aetna group fire companies this week is observing his 50th anniversary with the organization. Since the retire-



HENRY R. TOMLINSON

ment of J. M. Waller, vice-president, in 1947, Mr. Tomlinson has had general charge of the southern territory, with immediate supervision of Mississippi, Louisiana, Texas, Arkansas and Oklahoma.

Mr. Tomlinson joined Aetna Fire directly after graduating from Hartford public high school. He began as a clerk in the mail room. In 1902 he became an examiner in the southern department, and his entire underwriting service has been in that department. He was promoted to agency supervisor in 1923, and in 1930 was elected assistant secretary and three years later, secretary. He has been vice-president since 1940.

**George G. Gibson, Jr.**, Kentucky-Tennessee state agent for London & Lancashire, who was elected president of Kentucky Fire Underwriters Assn. at the annual meeting at French Lick, Ind., has been an insurance man 23 years. He is a native of Kentucky and is a graduate of Yale. He was with the old Kentucky Actuarial Bu-

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reau four years and then for eight years was with the E. S. Tachau & Sons agency and Louisville F. & M. He has been with London & Lancashire since 1937. He has contributed extensively to the agency training school of Louisville Board of Fire Underwriters. He was director of the school in 1946 and last winter he handled the introductory course.

**James B. Wallace**, head of the Wallace Insurance Agency of Kansas City and former president of Insurance Agents Assn. of Kansas City, underwent a second major operation at Research hospital at Kansas City.

**Edward H. Born**, in his capacity of secretary of Farm Underwriters Assn., is one of eight persons to receive a national 4-H camp citation during the club gathering that came to a close at Washington this week. This was in recognition of the contribution that Farm Underwriters Assn. has made to the 4-H club movement over the past decade. During that period the association has given between 700 and 800 scholarships to 4-H club members in recognition of their participation in fire prevention and accident prevention work. Currently the scholarships are for \$200 and are to defray expenses during the first year in college. Mr. Born was unable to go to Washington, but he was photographed with the other Chicagoans who were given the citation and this picture prominently appeared in some of the Chicago newspapers. The other Chicagoans are Edward J. Condon, vice-president of Sears, Roebuck & Co.; Edward F. Wilson, president of Wilson & Co., the packers, and Mrs. Charles R. Walgreen.

**John Rygel**, who will leave Chicago in a day or so for the home office of Hanover where he will assume duties of vice-president, was guest of honor at a poker party at the Union League Club in Chicago last week. Mr. Rygel's card playing companions presented him a suitable gift.

The new western department manager of Hanover, Paul H. Barr, this week presented Mr. Rygel a handsome set of golf clubs and a fine leather golf bag, complete with accessories, on behalf of the western department employees.

## DEATHS

**James A. Clark**, 79, local agent at Buffalo for 42 years, died there. He continued the business until he became ill a short time ago.

**Wayne Phillips**, for more than 25 years with the head office staff of Fireman's Fund, died in his sleep. For many years he was superintendent of head office buildings in San Francisco. A son, Wayne, Jr., is special agent of U.F.F. & G.

**V. S. Sackrison**, 47, operations manager of North America at San Francisco, died there. He had been with North America since 1940, starting at Chicago and later being at Philadelphia. He was transferred to San Francisco in 1944.

**L. R. Bowden**, vice-chairman of the Meserole companies, died at his home at New York at the age of 69. He graduated in law at Yale and became closely identified with the Frelinghuysen and Jamison interests in Globe & Rutgers. He was in charge of national automobile writings for that company when it was a very important factor in the field and he went with Pacific Fire in 1915 when C. V. Meserole acquired control of that company. He was for many years vice-president and Mr. Meserole's right hand man until in recent years when he became vice-chairman. He continued to function actively in the company until his death, although he had slackened his pace somewhat.

William Bowden, son of L. R. Bowden, is president of Albert Wilcox & Co., which supervises several lines in the marine field. Mr. Bowden was in

England when his father died.

**Herman C. Gross**, Minneapolis service office manager of North America, died at Mayo Brothers Clinic at the age of 52. Mr. Gross entered the business in 1912 with the Wagner local agency at Minneapolis and in 1920 went with North America as special agent in Minnesota. He was promoted to state agent in 1933 and had been manager since 1939. He is a former vice-president of Minnesota Underwriters Assn.

**E. E. Wulf**, 59, of the Rust-Wulf agency, Argonia, Kan., died at a Wichita hospital after an illness of two weeks. He was president of Farmers & Merchants State Bank there.

**Robert J. McGehean**, who until about five years ago was a salesman for a succession of insurance periodicals, traveling mainly in the southwest, died at Baptist hospital, Evansville, Ind., at the age of 47. In recent years he had been advertising representative for "Labor News" of Evansville. At one time he was with THE NATIONAL UNDERWRITER in Texas.

**LeRoy M. Backus**, 68, Seattle local agent, died at his home there. He held degrees from Harvard University of Washington and M.I.T. and had studied at Berlin and Munich.

**Jacob Harris** of Buffalo, 86, who interrupted his 60 years in insurance to service for a year as commissioner of charities, died there. He had been ill about a year. Born in New York City, Mr. Harris moved to Buffalo 65 years ago.

**Gen. Julius F. Howell**, veteran local agent of Bristol, Va., died there, aged 102. He acquired the title of general as commander-in-chief of United Confederate Veterans. He was in educational work before entering insurance many years ago. When he reached his 100th birthday in 1946, a big celebration was staged in his honor in his home town, in which representatives of the companies in his agency participated. Style of the agency was Howell & Bachman, but he had operated it individually for a number of years. In recent years, Mrs. Howell, his second wife, had assisted him in his office.

**Fred W. Bowers**, who retired in 1929 as vice-president of Connecticut Fire after 45 years in the fire insurance business, died at Lake Wales, Fla., at the age of 85. He had kept up his friendships and contacts with the fire insurance business and was part of the retired insurance colony at Babson Park, Fla., that includes Hugh London, former U.S. manager of Liverpool & London & Globe, and John F. Stafford, retired western manager of Sun.

He was born at Geneva, O., and in 1884 went with Germania Fire in the western department. Then in 1888 he became district manager at Los Angeles for the Gutte & Frank general agency of San Francisco representing Germania, Madgeburg, Hamburg Madgeburg and Economic of London. He went to Kansas City the next year as local agent and in 1890 became chief clerk in the resident secretary office of North British & Mercantile at Kansas City. Then in 1895 he went into the Missouri, Kansas and Indian territory field for Orient and in 1899 formed his connection with Phoenix of Hartford which continued until his retirement. He started as state agent in Missouri and Arkansas, then in 1914 became assistant western manager of Connecticut Fire, general agent in 1915, secretary in 1916 and vice-president in 1922. He served as vice-president of Fire Underwriters Assn. of the Northwest in 1903.

Mr. Bowers is the 36th life member of Fire Underwriters Assn. of the Northwest to die this year.

## Postpone N. Y. Meeting

The meeting of New York Fire Insurance Exchange set for June 23 to consider a new constitution, by-laws and rules, has been postponed to June 30 to permit a conference of exchange officials with the New York department.

## Hold Another Torrid Session on Accounting

(CONTINUED FROM PAGE 6)

combining of fire and allied lines reporting when individual consideration is merited by the premium volume attained particularly by extended coverage.

A list of the changes made after the meeting last week of the joint industry committee and the department was released at the hearing and indicated that the opposing views had been reconciled on some points and compromise agreements reached.

The chief accountant for Northern Assurance, Robert C. Angus, concentrated his arguments on the mechanical difficulties faced by the companies if the proposal goes through. The companies are still recovering from the war time shortage of personnel, as well as the incompetence of that personnel, and were simultaneously faced with the problem of handling the tremendous influx of post war premium volume, he said. The proposal is particularly serious for the average size company. Personnel problems will become serious again, he stated, as the defense program is stimulated. There is a lack of uniformity in accounting because management methods are different as are problems and organizations. The timing of the proposal is wrong because the companies are already having difficulty in producing the information required by various states. The proposal tells the companies what the department wants but it doesn't tell them how to compile them. The tabulating job will be enormous. He also questioned the value of the new figures, indicating that he didn't think they would be worth the money expended to compute them, and that this would add to company expenses and, in consequence, rates. Questioned by Mr. Martineau, he said he didn't think the companies would be able to present accurate figures by 1950 under the proposal even if they were ordered, as it is an impossible task. He urged further consideration before the proposal is adopted.

The casualty companies were represented by T. P. Tarbell, Travelers actuary, who submitted and discussed a memorandum for Assn. of Casualty & Surety Companies with the objections being essentially the same as those of the fire companies but with more emphasis on the allocation of expense section involving payroll audit, and on inspection costs. He also objected to the allocation of additional items to acquisition, stating that although New York might be considerate of the additional items included in acquisition when rates were filed, he wondered if the 40 or more other states that require filings would be so inclined.

Mutual Insurance Statistical Assn. was represented by J. A. Mills, and Vestal Lemmon spoke for National Assn. of Independent Insurers. When the testimony opposing the measure was completed, Mr. Morrill took the stand and rebutted the objections given, following which Messrs. Magrath, Angus, and Tarbell made counter-rebuttals. By this time it was awfully hot in the warm, damp room and people began to slide out the two doors to the conference room which fortunately had been left open. Deputy Martineau adjourned the hearing after everyone had his say.

## Ohio Field Gathering

The Ohio field men are gathered this week at Cedar Point for the annual summer get-together of Ohio Fire Underwriters Assn. and Ohio State Fire Prevention Assn. The former organization held its meeting Wednesday with talks being given by Harry Perlet of the Ohio insurance department, and K. S. Ogilvie of Western Underwriters Assn. At the fire prevention meeting Thursday, the main talk will be given by Fred J. Milligan, director of commerce of Ohio.

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1894

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1880

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Mail Order  
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E. J. Becker Is President  
and Wendell Berge  
General Counsel

WASHINGTON—The Assn. of Insurance Advertisers has been organized, composed of companies doing business primarily through the mails, including mail order A. & H. companies.

Wendell Berge, former anti-trust assistant Attorney General, Department of Justice, who was identified with the Southeastern Underwriters Assn. case, has been named counsel for the new association.

Formal announcement is expected next week. Meanwhile, Mr. Berge would not discuss the matter.

He and insurance observers are aware of the trouble into which some mail order insurance companies have gotten with the Postoffice Department, including indictment and trial of some of their personnel.

The Postoffice Department has also been making investigations with a view to possible fraud orders against some insurance concerns, which would deny them the use of the mails. A number of such fraud orders have been issued over the years.

## FTC Has Interest

During Congressional consideration of funds for the federal trade commission there was discussion of mail order insurance activities, which were said to demand FTC attention, and Congress appropriated \$10,000 for FTC work on mail order companies during the fiscal year beginning July 1.

When the insurance moratorium expires, FTC will have jurisdiction to investigate, file complaints against and prosecute mail order insurers under the Clayton anti-trust, federal trade commission and Robinson-Patman anti-discriminatory acts.

Insurance observers believe now is an opportune time for mail order insurers to organize for the common defense, what with the impending expiration of the moratorium, moves at the capitol and in the administration directed at such concerns, and the expectation of a change in administration after the November election.

## First Meeting at Chicago

There was an initial meeting of representatives of mail order insurers at Chicago and then Assn. of Insurance Advertisers was formed at a gathering at Washington June 2. This move, it is understood, has the blessing of the Postoffice Department. A code of fair advertising practices was submitted on that occasion and this is being revised in some particulars. E. J. Becker, president of Mutual Hospitalization of Wilmington, Del., was elected president. A Milwaukee attorney was employed as a paid secretary, and Mr. Berge as general counsel. Ross J. Ream, president of National Protective of Kansas City, is active in the organization. Guarantee Reserve Life of Chicago is one of the members. Of the group attending the Washington meeting, 17 companies joined in the new association. Stanley Kaplan of the Chicago law firm of Gottlieb, Schwartz & Friedman was one of the participants.

According to a dispatch from Washington in the New York "Journal of

Countrywide net premiums written of surety companies operating in New York state, increased in 1947 to \$53,494,786 from \$44,589,186, the previous year and earned premiums went up from roughly \$38 million to \$46 million. Instead of a minus loss ratio of 3.8 in 1946, there was a loss ratio of 7.8% in 1947.

These results are disclosed in the annual study of the New York insurance department based upon casualty insurance expense exhibits. In the fidelity field, premiums written dropped from \$37,419,985 to \$35,006,287, but there was an increase of about \$2 million in earned premiums. The loss ratio increased from 19.7 to 23.9.

In the following table incurred losses are based on case estimate reserves and exclude allocated claim expenses. Because of fluctuations in premium volume from year to year, expense ratios have been adjusted so as to relate certain types of expense to written premiums. Expense ratios do not include federal income taxes.

1947 Fidelity Experience  
STOCK COMPANIES

	Net premiums written	Net premiums earned	Underwriting Ratios		Claim exp. to earned	Expense Analysis		Insp. & bur. to earned	Taxes & fees to written
			Losses incurred to earned	Exp. (adj.) Net gain (adj.)		Acq. & fid. sup. to written	Gen. adm. to earned		
Accident & Casualty.....	\$ 53,638	\$ 57,723	42.1	74.1	-16.2	6.7	27.0	24.0	1.6
Aetna Cas. & Sur.....	1,701,826	2,024,676	32.9	65.9	1.2	13.4	33.8	15.4	.5
American Auto.....	65,587	58,950	18.6	104.5	-23.1	15.6	19.3	64.9	.9
American Casualty.....	140,058	152,352	15.4	57.1	27.3	6.5	31.6	14.3	1.1
American Employers.....	327,789	358,189	22.3	50.2	27.5	4.7	33.2	8.8	.8
American Guar. & Liability..	183,203	204,464	47.7	38.7	-6.4	7.4	15.2	10.9	1.9
American Motorists.....	168,289	179,688	49.3	57.1	2.1	3.0	35.0	16.8	.4
American Surety.....	2,688,964	3,239,121	17.9	68.2	13.9	10.8	33.4	19.2	.4
Associated Indemnity.....	22,486	47,060	30.4	36.4	33.2	3.1	26.3	2.7	.6
Bankers Ind. ....	5,925	6,915	60.9	97.8	-58.7	21.9	50.6	19.9	5.4
Car & General.....	2,489	4,277	-3.7	62.6	40.1	1.6	22.9	28.5	7.4
Central Sur.....	144,164	155,544	30.2	35.0	34.8	5.7	4.4	20.1	1.3
Century Indemnity.....	378,435	453,223	32.5	57.0	10.5	11.2	33.9	7.7	.5
Columbia Casualty.....	193,558	208,722	24.6	46.6	28.8	5.0	26.7	10.3	1.3
Commercial Casualty.....	192,797	221,608	14.8	57.3	27.9	8.7	30.5	14.6	1.0
Continental Casualty.....	463,463	624,353	-3.1	61.7	41.4	11.7	23.6	22.6	.8
Eagle Indemnity.....	89,594	109,260	23.7	62.2	14.1	9.8	33.2	15.3	.7
Employers Liability.....	441,580	478,429	18.9	52.0	29.1	6.3	35.4	7.4	1.2
Fidelity & Casualty.....	1,661,370	1,907,559	13.3	56.5	30.2	9.3	24.9	16.3	1.6
Fidelity & Deposit.....	4,557,787	5,441,606	19.6	61.9	18.5	8.0	39.2	11.0	.6
Fireman's Fd. Ind.....	311,114	340,617	81.0	50.6	-31.6	4.3	25.3	16.3	.8
General Accident.....	9,300	8,887	27.8	43.6	28.6	2.6	23.3	14.3	2.7
General Casualty, Seattle....	246,504	238,852	6.5	34.6	58.9	4.6	24.4	4.4	3.9
Globe Falls Indemnity.....	140,571	235,236	-4	54.6	45.8	4.1	35.3	10.6	.9
Globe Indemnity.....	537,561	655,560	23.7	59.9	16.4	9.8	33.1	13.1	.7
Great American Indemnity....	382,184	405,466	31.9	61.9	6.2	7.9	33.9	14.9	2.5
Guarantee of N. A.....	101,068	112,466	3.6	75.9	20.5	1.7	37.2	20.5	.5
Hartford Acc. & Ind.....	2,078,640	2,383,722	31.4	48.7	19.9	8.0	22.1	15.1	.6
Home Indemnity.....	202,409	261,394	23.6	37.3	39.1	-3.4	15.2	20.3	1.4
Indemnity of N. A.....	1,299,228	1,329,491	40.0	42.7	17.3	7.0	21.8	10.0	.3
International Fld.....	56,266	48,209	2.5	63.8	28.7	.1	5.8	61.1	1.8
London Guar. & Acc.....	23,952	16,614	44.6	96.6	-41.2	4.9	15.8	70.4	1.9
London & Lancashire Ind.....	35,458	39,006	35.0	80.5	-15.5	31.8	23.9	15.6	2.0
Manufacturers' Casualty.....	106,570	107,543	39.2	53.3	7.5	.4	30.8	17.6	.7
Maryland Casualty.....	1,724,475	1,916,283	32.5	55.2	12.3	12.3	29.3	9.5	1.1
Massachusetts Bonding.....	978,025	1,118,948	26.5	56.3	17.2	12.8	29.0	11.7	.3
Merchants Indemnity.....	332	514	-3.8	25.9	82.9	8.0	22.9	4.3	...
Metropolitan Casualty.....	139,211	133,815	6.3	61.8	31.9	6.7	32.6	18.1	1.2
National Casualty.....	17,282	20,834	15.4	44.5	40.1	-6.2	19.8	26.0	1.5
National Surety.....	3,353,854	3,675,546	24.5	64.5	11.0	8.1	37.9	14.3	.5
New Amsterdam Casualty.....	984,554	999,931	18.0	47.4	34.6	9.8	25.4	9.7	.2
New England Casualty.....	2,303	1,371	3.7	76.8	19.5	6.8	31.9	16.9	1.2
New York Casualty.....	431,869	480,592	13.6	59.5	27.1	17.6	29.1	13.2	.2
Ocean Acc. & Guar.....	227,267	256,299	31.5	44.2	24.3	4.0	24.6	10.9	.9
Peerless Casualty.....	165,858	159,178	12.2	45.4	42.4	1.6	35.8	6.3	.1
Phoenix Indemnity.....	23,268	19,696	38.3	24.6	37.1	2.5	11.8	5.2	1.8
Preferred Accident.....	-15,542	45,956	81.1	33.5	-14.6	...	...	...	...
Royal Indemnity.....	492,764	600,930	23.7	60.0	16.3	9.8	33.1	13.2	.7
St. Paul Mercury Indem.....	483,055	483,882	17.5	42.0	40.5	4.7	19.9	11.3	.6
Seaboard Surety.....	689,179	578,424	26.4	45.0	28.6	3.9	23.2	11.5	2.4
Standard Accident.....	737,928	823,399	23.6	70.7	5.7	12.2	36.0	19.4	.5
Sun Indemnity.....	43,747	43,429	9.2	46.5	44.3	14.7	21.2	6.2	1.1
Travelers Indemnity.....	672,255	770,268	24.0	58.5	17.5	7.4	31.8	15.4	.6
United National Indemnity....	24,778	14,741	38.1	139.1	-77.2	6.1	22.7	100.6	5.9
United States Casualty.....	178,424	188,396	31.5	63.1	5.4	4.4	25.1	29.1	1.1
U. S. Fidelity & Guaranty....	3,662,074	3,959,125	20.5	50.5	29.0	4.6	32.1	10.4	.8
U. S. Guarantee.....	802,427	728,955	27.3	58.0	14.2	8.2	3.8	34.9	.8
Western National Indemnity..	112,601	123,108	26.1	40.5	33.4	3.2	25.3	8.7	.7
Yorkshire Indemnity.....	55,499	56,856	24.4	40.6	35.0	4.6	30.1	3.1	.1
1944 totals.....	\$38,762,367	\$37,966,710	14.8	55.8	29.4	7.2	29.3	15.1	.7
1945 totals.....	56,525,293	57,602,907	17.9	53.4	28.7	7.6	24.9	16.9	.7
1946 totals.....	37,419,985	37,345,440	19.7	57.9	22.4	7.8	30.1	16.0	.8
1947 totals.....	35,006,287	39,273,338	23.9	56.8	19.3	8.5	30.3	14.1	.7

## MUTUAL COMPANIES

American Mut. Liab.....	\$ 169,897	\$ 158,069	34.8	6.1	59.1	9.7	-24.0	16.8	.2	3.4
Employers Mut. Liab.....	52,648	53,009	21.3	48.6	20.1	4.8	-7.5	42.3	3.9	8.1
Farm Bureau Mutual.....	5,043	3,081	53.2	67.0	-20.2	10.6	-24.9	79.8	...	1.5
Liberty Mutual.....	849,116	805,511	50.7	30.6	18.7	19.5	8.4	2.4	7.1	2.2
Lumbermen's Mut. Cas.....	392,676	325,895	41.2	45.5	13.3	2.8	29.5	10.7	.4	3.1
National Grange Mutual.....	9,287	7,255	16.4	19.6	64.0	4.1	3.8	9.7	.2	1.8
Security Mut. Cas.....	116,425	68,926	31.7	47.1	21.2	.3	40.5	6.2	...	.1
1944 totals.....	\$ 1,226,022	\$ 1,141,330	29.0	27.1	43.9	7.8	1.2	15.6	.2	2.3
1945 totals.....	1,340,692	1,174,913	46.0	27.9	26.1	9.4	4.1	10.3	1.7	2.4
1946 totals.....	1,529,458	1,269,038	28.2	31.2	40.6	8.5	7.7	10.2	2.6	1.9
1947 totals.....	1,595,092	1,421,746	44.6	34.0	21.4	7.9	11.3	7.8	4.3	2.2

## REINSURANCE COMPANIES

American Reinsurance.....	\$ 1,212,685	\$ 892,102	42.8	48.8	8.4	...	42.5	4.7	.2	.4
Employers Reinsurance.....	1,123,717	966,901	28.7	50.0	21.3	2.6	42.2	3.5	.2	1.4
European Gen. Reins.....	1,347,143	1,442,070	26.5	49.8	23.7	2.6	46.0	1.0	.1	.1
Excess.....	140,092	127,184	14.0	51.7	34.3	3.1	39.2	8.0	...	1.4
General Reinsurance.....	1,156,391	1,139,884	43.6	49.4	7.0	4.0	40.0	3.2	.1	2.1
North Am. C. & S. Reins.....	73,653	84,134	29.5	65.3	5.2	1.7	63.9	...	...	.2
1944 totals.....	\$ 4,195,571	\$ 3,660,646	21.2	52.6	26.2	1.1	45.8	4.2	.2	1.2
1945 totals.....	5,812,504	3,964,648	29.9	49.6	20.5	1.3	42.4	4.6	.2	1.1
1946 totals.....	4,452,790	4,094,708	30.4	50.3	19.3	1.8	42.9	4.1	.2	1.3
1947 totals.....	5,053,681	4,652,275	34.0	49.8	16.2	2.4	42.3	2.9	.2	1.0

(CONTINUED ON PAGE 24)

Commerce" the Post Office Department is anxious to have the assistance of the state insurance departments in moving against mail order insurers that are en-

gaging in practices that are frowned upon. It is expected that some of the insurance companies that have been indicted will emphasize strongly in the

defense the fact that they were licensed by the state, that their advertising literature was given state approval or

(CONTINUED ON PAGE 22)

## Insurer Is Held For \$20,000 Beyond Limit of Policy

Central Surety has been held liable for the entire amount of a judgment of \$65,000 against a Wisconsin assured under an auto liability policy, even though the policy limit was \$45,000, the case being *Royal Transit, Inc. vs. Central Surety*. One Zamecnik, an employee of Allis-Chalmers, was totally and permanently disabled, in an accident due to the alleged negligence of an employee of Royal Transit.

Zamecnik brought an action for \$100,000. Shortly thereafter conferences and conciliation hearings were held by attorneys representing Zamecnik, Allis-Chalmers, Royal Transit, Central Surety and Employers Reinsurance which had the top \$40,000 of liability under the policy. The attorney for Employers Reinsurance was quoted as saying that this case should be settled and he suggested making an offer of at least \$35,000.

### L. P. Miller in Control

According to the court, L. P. Miller, representing Central Surety, had complete control of all negotiations relative to a settlement. The lower court found

that a settlement could have been effected for \$40,000 of which Royal Transit agreed to pay \$5,000. The lower court said that Miller stubbornly and persistently refused to adopt any of the suggestions of other attorneys when they advised settlement for less than the policy coverage "and he obstinately and in bad faith repudiated and overrode the suggestions of the attorneys for the reinsurer," and Central Surety's own attorneys, when they both urged settlement for \$35,000.

The appellate court said that when one man with the power to make decisions refuses to entertain a compromise under such circumstances, a serious question arises as to his honesty and good faith. Especially, the court said, is this so in view of the flimsy nature of his excuse for so refusing. He treated the matter, so he testified, as "a horse trading proposition." After Zamecnik had agreed to accept \$40,000, no counter proposal was made by Miller or anyone on his behalf. The court expressed the belief that his refusal to discharge the obligation to protect the interests of the insured, as well as to make the best settlement possible, was arbitrary, capricious and the court said the finding of bad faith is amply supported.

With J. R. Ingram as president, Bankingport, Inc., a new insurance agency, has been organized at **Sanford, S. C.**

## Midwestern Is New Okla. Insurer; L. W. Hall President

Organization of Midwestern Ins. Co. of Oklahoma City has now been completed, and it has paid in capital of \$200,000 and \$250,000 net surplus. The president is Lewis W. Hall, who resigned in May as vice-president in charge of underwriting of Insurers Indemnity of Tulsa. He had been with that company 10 years and his insurance experience covers 21 years, he having started in 1927 with New Amsterdam Casualty. The office is located in the Apco Tower building and it is licensed for the various casualty lines. There were sold 20,000 shares of \$10 par value stock at \$22.50 per share.

Some of the stockholders and directors are outstanding agents of Oklahoma and Texas. Those having a financial interest in the company are from Tulsa, Muskogee, Sapulpa and Oklahoma City, and Houston and Beaumont, Tex.

Mr. Hall did underwriting and special agency work for New Amsterdam from 1927 until 1929. Then for several months he was with the Evers-Dixon general agency of Long Island City, and for the next six years, he was special agent and was in charge of branch office underwriting for Maryland Casualty in Oklahoma. Then until joining Insurers Indemnity he was in underwriting and production work for the Frates Co. of Tulsa.

### T. R. LePage Is Secretary

T. R. LePage is secretary and assistant treasurer. Mr. LePage is a native of England and was educated there. He came to the U. S. in 1920 and was naturalized in 1929. After earlier experience in other fields, he went with U. S. F. & G. as assistant branch auditor in 1924. From 1928 to 1929 he was with Massachusetts Bonding as branch auditor and from then until April of this year, he was with Joseph Froggatt & Co. He served as manager at Dallas for 10 years, and also was located at Newark, Chicago and St. Louis. He has given lectures on various insurance accounting topics.

I. D. Robertson is chairman, Dan M. Moody, vice-president and B. M. Jackson, treasurer.

The directors include I. F. Betts, president of American National Bank of Beaumont; Bruce M. Jackson, who is in the investment and lumber business at Beaumont; I. D. Robertson, an insurance man and vice-president of Beaumont Cement Sales; Mr. Moody, who is president of Texas Abstract Co. of Houston; W. M. Dickey, president of Avalon Lumber Co., and Airtex Air-conditioning Distributing Co., Houston; Marion L. Martin, an insurance man and president of TSC Investment Co., Houston; Dave D. Price, president of the Economy Co., Oklahoma City; Leonard H. Savage of the Oklahoma City law firm of Savage, Gibson & Benefield and Mr. Hall.

An agency advisory committee has been named consisting of three prominent Oklahoma City local agents, Fred F. Fox, H. T. Moran and Dave R. McKown.

### Increases Policy Dividends

Interboro Mutual Indemnity has increased its rate of policy dividends from 15% to 20% on all lines effective for July, August and September.

### Name Moyer at Benton Harbor

Lloyd W. Moyer, Jr., has been named district agent of Paul Revere Life and Massachusetts Protective at Benton Harbor, Mich.

Seattle A. & H. Underwriters Assn. held its annual picnic at the Lake Washington home of Dwight Mead, Pacific Mutual Life.

## Burglary, Marine Men Ponder Plan to Increase Recoveries

NEW YORK—Through the combined efforts of Burglary & Glass Club of New York and Inland Marine Claims Assn., the New York City police department has offered its full cooperation to insurers in their effort to regain lost or stolen property. If the plan suggested is put into effect it will not only enable companies to avoid paying claims on property in the hands of the police, but also to cut down losses through the recovery of articles on which claims are in process of payment, or which may even be already paid.

Frank Leuci, property clerk of the New York City police department, made several recommendations at a recent joint meeting of the two organizations. He revealed that the gross value of property handled by his office last year exceeded \$9 million.

### Much Delivered to Finders

During the year more than \$1 million in property and cash was turned over to finders. "I wonder," he stated, "how much of this property was insured?" The finders have included all categories of people, including taxicab drivers, hotel employees, pedestrians, and many children. Much of the valuable material recovered was diamonds, jewels, wrist watches, etc. The value of the items ran from several hundred dollars up to \$4,000. A sizable amount of these jewels was believed covered under personal property or jewelry floaters. Because of unfamiliarity with the police department's operations, an estimate exceeding \$100,000 might be made of the losses paid by companies on property given to finders by police when the owners did not appear to claim it. Countrywide the figure might exceed \$1 million annually.

Although it is true that many claimants and adjusters have forwarded copies of loss notices to the property clerk's office, they seldom submit sufficient information to allow an accurate identification. One of the principal defects is that the schedules do not have a complete description of the insured articles. Many times the loss notices say simply "one mink coat—\$2,000." Mr. Leuci suggested that manufacturers' trademarks, insignia, photographs, bills of sale, and other identifying information on furs, such as color, markings, number of pelts, etc., should be given. Jewelry, when reported lost, should be fully described.

### May Use Association Facilities

It was also suggested that the insurance companies avail themselves of bulletins or the trade journals to notify claims men countrywide of articles the property clerk has in his possession ready to turn over to finders. The discussion that followed this suggestion indicates that the casualty people will avail themselves of the claims division of the Assn. of Casualty & Surety Companies, and that the inland marine people may approach the Inland Marine Underwriters Assn. with the suggestion that such a service be established. The officials present felt that much good could come of such a service and that it might pay for itself in property recovered. The principal stumbling block at this time would be the establishment of a plan that could service mutuals, non-members of the associations, insurers now doing business in New York, etc.

One step that the lost property clerk has taken is to have the person recovering the property state in an affidavit that a claim has not been paid by any insurance company on the recovered goods. If it is proved later that a claim has been paid the person can be held for perjury. It is now also suggested that the affidavit contain the name of the company, broker or agent through whom the claim was paid.

## SPECIAL MEMO TO: Indiana-Illinois Agents SUBJECT: Automobile Financing

Hawkeye Agents in nine states are holding their auto business through the special facilities offered them by the First Insurance Finance Company. Now, First Insurance Finance Company is making this service available to Hawkeye Agents in Indiana and Illinois. Hawkeye has several agency openings in these States. Agents selected will be granted the facilities of the First Insurance Finance Company to help hold and increase their auto business.

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## ACCIDENT AND HEALTH

### Quiz Program Presented by Los Angeles Association

An "information quiz" program featured the June meeting of the Los Angeles A. & H. Underwriters Assn. with a board of five "experts" answering questions propounded by members.

V. J. Skutt, Mutual Benefit H. & A., president of H. & A. Underwriters Conference, talked briefly on public relations. He praised the San Francisco and Los Angeles associations for their work on behalf of private carriers in the recent UCD legislative battle.

The "experts" included A. G. Arnold, Travelers; Henry Handschuch, Continental Casualty; Walter Schmitz, Occidental Life; Robert Clarke, Unity Mutual Life & Accident; and Walter L. McKee, Connecticut General Life.

It was announced that the California department had approved finally only three courses of study submitted by insurers for instruction of prospective agents in preparation for license examination; 26 had been given tentative approval, with modifications required for final approval, and 29 disapproved.

### Health Benefit Salary Deductions O.K'd by Court

ST. LOUIS—Health benefit deductions from the salaries of employees are not in violation of the Taft-Hartley law, District Judge George Moore has held in a declaratory judgment.

The decision was in a test case filed by the Rice-Stix Dry Goods Co., naming as defendants the St. Louis Labor Health Institute, and the CIO United Distribution Workers' Union.

In its petition the company stated that some employees had challenged the legality of deducting 3 1/2% of the gross salary of the workers and payment of such funds to the Health Institute. The collections from about 700 employees totaled approximately \$40,000 annually.

In upholding the deductions, the court held that St. Louis Labor Health Institute is not a bargaining agent or representative of the company's employees and not affiliated with or a part of the company, but an independent corporation organized to furnish medical, surgical and hospital care.

A spokesman for the Health Institute

said that the case would set the pattern for many other firms and will affect some 6,000 members of organizations carrying such protection with the Institute.

### Downey and Committee Confer on Qualifications

LOS ANGELES—Commissioner Downey and the advisory committee on courses of study for applicants for agents' licenses conferred on matters to be incorporated in the new manual which is being prepared by the department. It is understood this will be the official booklet from which all examination questions will be taken.

The committee discussed only life and disability and submitted proposed questions and answers.

The committee is composed of R. H. Belknap, Occidental Life; Kellogg Van Winkle, Equitable Society, legislative chairman California Assn. of Life Underwriters; and W. E. Leiby, Massachusetts Indemnity, all of Los Angeles; A. B. Brown, Metropolitan, and E. E. Keller, Reliance Life, both of San Francisco. All were present.

It is understood as soon as Mr. Downey can obtain men in the general insurance business to serve on a similar committee for the general side of the industry, he will name such a body and have it do a corresponding job for general insurance.

### Monarch Life Engages Morse As Assistant Actuary

Richard H. Morse, employee benefit actuarial consultant for Johnson & Higgins, has resigned to become assistant actuary of Monarch Life. Mr. Morse graduated from Brown in 1934 and is a Phi Beta Kappa. He started with the actuarial department of Connecticut General and was placed in charge of the group annuity division. After returning from service as a navy officer, Mr. Morse joined Johnson & Higgins.

### No R. R. Disability Changes

The bill passed by Congress to revise the railroad retirement system on a basis agreed upon by railroad management and the railroad brotherhoods provides for some increases in pensions or annuities and puts the unemployment compensation tax on a merit rating basis similar to that in other industries, but does not make any changes in the disability benefits provided under the Crosser act. Another bill to that effect was introduced in Congress, but did not get anywhere.

### Allein Utah President

SALT LAKE CITY—At the annual meeting of Utah A. & H. Club, J. P. Allein, Equitable Life & Accident, was elected president, succeeding Persyl Richardson, Mutual Benefit H. & A. Leo R. Porter, Columbian National Life, is vice-president; Parley Woolsey, Mu-

tual Benefit H. & A., secretary-treasurer (reelected); Ford Crandall, Metropolitan Life, and Olive Milner, National Casualty, members of executive board.

### Harrington Asks Control of Mass. Blue Cross

BOSTON—Commissioner Harrington of Massachusetts has recommended to the joint legislative committee on insurance that the insurance department be given the same powers over Blue Cross it has over insurance companies.

The commissioner asked for approval of new and higher hospital rates by the state commissioner of public health, free access of his department to Blue Cross records and rules and regulations for enforcement of insurance department orders, medical examinations for those holding private contracts with Blue Cross, and examination of hospitals by the state public health department. Representatives of the Blue Cross and hospitals asked for more time to examine the recommendations.

### Announce A. & H. Bureau Annual Meeting Features

The program for the annual meeting of Bureau of A. & H. Underwriters at Virginia Beach Oct. 11-13 will feature addresses by outstanding insurance commissioners and by persons engaged in accident safety, medical direction and public relations work. There will be a detailed discussion of the California and New Jersey cash sickness laws.

The underwriting forum, a valuable feature in past years, will be under the direction of Gerald S. Parker, Preferred Accident, and promises to be of unusual interest because of the many controversial underwriting questions to be discussed.

A new feature this year will be a discussion of home office procedure led by Merle J. Thompson, Standard Accident. Raymond A. Payne, Travelers, will discuss "Policy Drafting Requirements in the Immediate Future," taking up rapidly developing regulatory pattern in accident and health insurance and the problem which this presents from a policy drafting and filing standpoint.

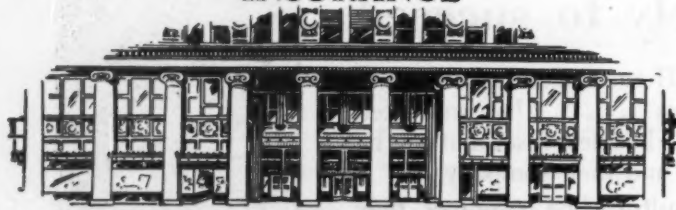
Ray L. Hills, Great American Indemnity, is chairman of the annual meeting committee.

### Smart to Life Department

Thomas Smart, accident and health underwriting assistant of Inter-Ocean since his return from service in 1946, has been made life underwriter to succeed Fred Kautzman, resigned. He has been with Inter-Ocean since 1936. For most of that time he has been in the underwriting department. He holds a certificate in general business from University of Cincinnati and is now going to evening law school.

George Pfau, a graduate of Cincinnati University and the university law school, succeeds Mr. Smart in the A. & H. department. He was for a

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short time with Hospital Care Corp. and has done insurance field work. In addition to underwriting he will be groomed for work on policy construction and insurance department relations.

### E. E. Brown Austin Speaker

Austin (Tex.) Assn. of A. & H. Underwriters heard E. Etheridge Brown, president of Robert E. Lee Mutual Life of San Antonio, talk on the importance in selling of speaking the language of the prospect. He said that if there is a common understanding of what the policy will do, misunderstandings will be minimized and lawsuits will be rare. He referred to the efforts of certain commissioners to bring about uniformity in practices and elimination of hidden exclusions as good for the business.

O. D. Harlan, president of the Texas association, spoke on the convention of the National association and the importance of membership in the association.

### Hold N. J. A. & H. Outing

In spite of the inclemency of the weather, the joint outing of A. & H. Underwriters Assn. of New Jersey and the women's division of the association, was well attended. Golf winners included Charles Simons, C. J. Simons & Co.; Herbert Siddons, Service Review; Alexander Grenier, National Casualty; George Lehman, National A. & H.; W. S. Vogel, Columbian National Life, and Milton French, Mutual Benefit H. & A.

Deputy Commissioner Gough was to have spoken but was unable to be present due to the pressure of business.

### Fireman's Fund Writes UCD

Fireman's Fund Indemnity is now writing UCD coverage under four plans: A, offering maximum weekly benefits of \$30, B, of \$28, C, \$26 and D, \$25. The latter is available only to employers having less than 10 employees where the female contingent is more than 50%.

All of these plans increase the weekly benefit by 40%, beginning with the 8th day, while insured employee is a resident patient in a hospital or requires full-time services of a nurse, but not exceeding 26 weeks for either or both combined.

### Keller Enters Agency Field

Ernest Keller has resigned as agency director of Federal Life & Casualty to become general manager of Morgan Jones & Co., the company's agency at Elgin, Ill. Mr. Keller has been with the company since 1926. He did claims work and in 1938 became chief underwriter of the A. & H. department. He became a personal producer in Detroit and in 1941 was made agency supervisor, advancing later to agency director.

### Hold Chicago A. & H. Outing

More than 100 members and their guests attended the Chicago A. & H. Assn. outing at Nordic Hills Country Club June 18.

Jay DeYoung, Continental Casualty, retiring president, gave a brief report on the compulsory sickness legislation problem. The new president, Irving G. Wessman, Loyalty group, presented Mr. DeYoung a gift from the membership.

The outing committee, Harold L. Bredberg and Walter Kummerow, presented prizes.

Mr. Wessman and Mr. DeYoung will attend the annual meeting of National Assn. of A. & H. Underwriters at Minneapolis next week.

### Knadle Tampa President

TAMPA, FLA.—Wesley M. Knadle, district manager of Professional, has been elected president of the Tampa A. & H. Underwriters Assn. He succeeded George Gryder, Atlas Life; E. W. Tidwell, American Life, is vice-president; J. Stallings, Continental Casualty, secretary; Frank Copeland, Continental, treasurer.

## CHANGES IN CASUALTY FIELD

### Travelers Designates Peterson a V.P.

George E. Peterson has been made vice-president of Travelers and Travelers Indemnity, in charge of casualty underwriting. Mr. Peterson succeeds Louis J. Kempf, who has retired.

Mr. Peterson joined Travelers in 1911 as an inspector. After a year, he was attached to the home office and was appointed assistant superintendent of the engineering and inspection division in 1921. He was transferred to the underwriting department two years later and put in charge of casualty underwriting in the greater New York area at New York City. In 1931 he returned to the home office. In 1936 he was made assistant secretary of the compensation and liability department and in 1940 secretary.

### Houghton in Seattle Post

Claude W. Houghton, formerly special agent at Minneapolis and St. Paul for Maryland Casualty, has been appointed associate manager of the bond

department in General Casualty's metropolitan office at Seattle.

At one time he was special agent at Seattle for the Loyalty group.

### Guertin Boston Claims Head for Century Indemnity

Francis L. Guertin has been appointed manager of the Boston claim division of Century Indemnity to succeed Richard K. McWilliams, who was recently transferred to Hartford as manager of the casualty claim department with supervision over the entire claim operations of the company.

Mr. Guertin is a graduate of Boston University law school and practiced law until 1942. He then became assistant New England claim manager for Standard Accident and in 1943 he joined Employers Mutual Liability as New England claim manager and attorney where he has remained until now.

R. S. Herterich has joined the eastern department of St. Paul-Mercury Indemnity as a bond underwriter. He was formerly with Fidelity & Casualty in a similar capacity.

### Harrington and McGarry Shifted by Hartford

Eugene N. Harrington, special agent for Hartford Accident in western Washington for 15 years, has been transferred to the Sacramento Valley in California. He succeeds Norman Quillinan, who recently resigned to go with the McGee & Thielen agency at Sacramento. Mr. Thielen, veteran agent and member of the firm, died recently.

Mr. Alexander has been with Hartford since 1928, starting at San Francisco. He first was appointed special agent in the state of Washington in 1933.

Andrew T. McGarry, who has been in Pacific department headquarters since leaving service in 1946, has been appointed special agent at Sacramento assisting Mr. Alexander.

### Guarantee of Los Angeles Makes Plans for Indiana

Guarantee of Los Angeles has entered Indiana, and President J. R. Deering is on the scene making arrangements to set up a branch office at Indianapolis. Richard Goss, who has been chief safety engineer at the head office

Although we are licensed in only 19 of the 48 states, still we are one of the 25 largest producers of fidelity and surety bonds in the nation.

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## OLD FOLKS CAN BE NEW PROSPECTS

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**COAL OPERATORS CASUALTY COMPANY**  
GREENSBURG, PENNSYLVANIA

for the past six years, will serve as manager temporarily. The plan is to employ an Indian as special agent and train him so that he may take over the management.

This is the first state that Guarantee has entered east of the Rockies. Its California business this year will amount to more than \$3½ million and the management is striving to get a more diversified territorial experience.

### Opens Milwaukee Unit

Loyalty group has opened a casualty claim office at Milwaukee, with Francis C. Doran in charge as chief adjuster. The office is located at 611 North Broadway.

### Wulffhorst to Chicago

Richard F. Wulffhorst, Travelers field assistant in fidelity and surety lines at Toledo for the last 18 months, has been transferred to a similar post in Chicago.

### "Ball," Not "Bell," Appointed

An item in the issue of June 17 relating the appointment of Harold J. Ball as claim manager of American Casualty at Chicago erroneously referred to him as "Bell".

### Cosby Richmond Manager

LeRoy J. Cosby has been appointed manager at Richmond by Manufacturers Casualty and Manufacturers Fire to succeed Charles R. Eby, who becomes Chicago manager. Mr. Cosby has been a special agent there.

## SURETY

### Probe of Pa. City and County Bonding Practices Launched

HARRISBURG, PA.—A state-wide investigation of city and county bonding practices will be inaugurated by Commissioner Malone. He decided on the probe after learning that W. Frank Marshall, Philadelphia receiver of taxes, profited from a \$1,800,000 bonding deal involving 650 employees in his office. This was disclosed in conjunction with current tax scandals at Philadelphia.

The commissioner's chief concern in the probe, it is said, is to determine if public officials can legally engage in the bonding business or take a profit from its operation. He investigated the Philadelphia "deal" and sharply questioned Leon Merz, manager of Continental Casualty, one of four insurers with which Marshall has been associated.

An investigation into the reputedly lucrative placing of performance bonds for contractors engaged in public work is also being considered.

Judge MacNeille of Philadelphia common pleas court, who has directed a grand jury probe there, said that "while it is true that the taking and sharing of commissions for the sale of bonds to city employees and to contractors doing business with the city is not a crime, it is equally true that it should be made one by law."

"In the field of life and fire insurance, it is a crime for an agent or broker to share his commission with any layman, and it is a crime for a layman to participate in sharing."

"I shall ask the grand jury to recommend legislation to prevent any city officials, county officer or city officers from participating in the commission from the sale of bonds to city employees or acting as agent or broker in such a sale."

"The law should also prevent participation in the sharing of commissions on any bonds furnished to the city or county in relation to contracts."

### Award Highway Contract

Griffith Co., Los Angeles, has been awarded contract by the California state

highway department for construction and improvement of 12 miles of road between Miramar and Lake Hodges at bid of \$1,642,999. National Surety will execute the payment and performance bond.

### Renewal Commission Ruling

LOS ANGELES—The question of payment of commissions on continuous bond forms to persons no longer representing the company underwriting the bond, but who were properly licensed at the time the bonds were written, having been called to the attention of the California department, the department has adopted a position. It rules that the renewal commission may be paid to the original agent provided nothing whatsoever is to be done by him so that actually there is no further transaction of business by him. Where the principal sum of the bond has been increased or any other change or endorsement made, other than the mere renewal, an agent would have to be licensed for the insurer at the time additional commission was paid due to the endorsement or change.

This ruling applies only to the type of continuous form bonds which may not be canceled by the company, except with the consent of the court or some other governmental agency.

## COMPENSATION

### Self-Insurers Criticise N. Y. Hospital Rate Hike

NEW YORK — Self-Insurers Assn. here in its last bulletin criticised the agreement to raise hospital rates for workmen's compensation cases to \$9.25 a day, which was made effective May 1 by Compensation Insurance Rating Board and Hospital Assn. of New York State. The agreement was approved by Superintendent Dineen but the chairman of the Workmen's Compensation Board has not approved it.

Self-Insurers Assn. points out that section 13 (a) of the compensation law provides that fees and other charges for treatment and services shall be limited to those that prevail in the same community for similar treatment of injured persons of a like standard of living. It states that the charge for compensation cases is considerably more than that of a private paying patient in a ward in most sections of the state. The increase in rates "establishes the right of other agencies than the legislature to fix benefits," it says.

### Enact Increase in Benefits Under Longshoremen's Law

WASHINGTON—Congress has sent to the White House a bill increasing minimum compensation benefits under the longshoremen's and harborworkers' law here from \$9 to \$12 per week and maximum benefits from \$25 to \$35 per week.

### Pennsylvania Rates Revised

HARRISBURG, PA.—Commissioner Malone has announced approval of a general revision in workmen's compensation rates.

Under the new rates there is an average 4½% reduction in premiums. This includes 109 classifications being reduced, with 48 remaining the same, and "slight increases" in 28 classifications.

The average reduction for manufacturing and utilities group is 2.9%, contracting and quarrying 8.1% and other industry groups 4.7%.

The new rates will apply to all policies effective on or after June 30. It is estimated that the reduction in premiums will approximate \$900,000.

Richard G. Bennett has been named manager of accident, health and hospitalization insurance for the Wellington F. Roemer agency, Toledo.

## Hallen Casualty

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## ASSOCIATIONS

### Hallenbeck Leads Chicago Casualty Underwriters

The Casualty Underwriters Assn. of Chicago has elected R. M. Hallenbeck, Bartholomay & Clarkson, president. Other new officers are R. Maynard Toelle, Fireman's Fund Indemnity, vice-president; G. N. Morrissey, Hartford Accident, treasurer; Harold L. Bredberg, National Service & Appraisal, secretary.

Directors include Louis Ollmert, Aetna Casualty; Harry Boyle, W. A. Alexander & Co.; N. A. Laibly, United National Indemnity; R. P. Corn, Western Casualty & Surety; and Donald M. Wood, Jr., Childs & Wood.

Allen Pither, Chicago manager of American Foreign Insurance Assn., was speaker. A golf tournament is planned for early in July.

### Wis. Adjusters Elect

MILWAUKEE — New officers of Casualty Adjusters Assn. of Wisconsin elected by mail ballot are Nelson B. Winkless, Royal Indemnity, president, succeeding O. B. Sullivan, Aetna Casualty; Clifford Clemons, Standard Accident, vice-president, and Alfred C. Klotz, All-State, secretary. The results were announced at the dinner following the annual outing and golf tournament at North Shore Country Club. More than 100 adjusters, claims managers and guests attended the outing. Ralph Brown was general chairman.

### Wagenhauser President

At the annual meeting of Houston Casualty-Surety Roundtable Club A. E. Wagenhauser of Langham, Langston & Burnett was elected president; W. E. Humphreys, Commercial Standard, vice-president; R. B. Livingston of Houston, Stevenson & Cummings, secretary, and Walter Stone, American Automobile, treasurer.

### Atlanta Claim Men Elect

Allace Streeter, U. S. F. & G., has been elected president of Atlanta Claims Assn. James Kelley, American Casualty, is secretary, and J. H. Coskey, Hardware Mutuals, treasurer.

## PERSONALS

The wife of Edwin I. Offenbacher, special agent in New York for American Credit Indemnity, was the fortunate benefactor of a subway ticket agent's fast thinking. Buffeted by the crowd, she slipped in a N. Y. subway station, catching her leg between one of the cars and the platform. A husky passenger hastily jumped between the sliding doors, keeping them open and preventing the train from moving. The ticket agent induced 150 bewildered passengers to line up on the side of the heavy car and push. They tilted the car slightly to one side but it was enough to permit two of the passengers to lift out Mrs. Offenbacher. Her only injuries were a few bruises and an awful scare.

E. J. Uhler, agency department of Fidelity & Casualty, New York, will treat the 3D and broad form liability policies at the short course school being sponsored by Alabama Assn. of Insurance Agents at the University of Alabama, Tuscaloosa, July 19-21.

### Agree on Plan to Ease Auto Market in Mass.

Agreement was reached by representatives of insurers at a conference with Commissioner Harrington of Massachusetts to extend the scope of the voluntary automobile assigned risk plan to include property damage and other non-statutory liability coverages. Hereto-

fore the plan has embraced only that portion of the risk that comes under the Massachusetts compulsory automobile insurance law.

The rules of the plan were also changed to provide that the applicant for assignment will now sign an application stating that such insurance has been applied for and refused. If this record is satisfactory he becomes immediately eligible for assignment.

The conference was called because of the increasingly difficult market situation that is developing in Massachusetts. Last year an agreement was reached whereunder the companies "froze" their writings at the 1947 level. The companies this year have been renewing practically all of their last year business under the freeze plan, and are now finding it more difficult to take care of new applicants. The volume of compulsory assigned risks in Massachusetts is running about 40% greater than last year.

### NLRB Holds Group A. & H. Collective Bargaining Subject

In the same groove as the recent Inland Steel decision on pensions, the national labor relations board has ruled in a 4 to 1 decision that the Taft-Hartley act requires an employer to bargain with his employees on any group A.&H. insurance program. Involved in the case were the United Steel Workers, C.I.O. and W. W. Cross & Co., tack manufacturer of East Jaffrey, N. H.

The board ordered the employer to refrain from taking any unilateral action with respect to his group health and accident insurance which affects any of the employees in the unit represented by the union without prior consultation with the union. The employer is told to bargain collectively with the union upon request when and if the union meets the conditions of the Taft-Hartley act.

The company had argued that its contributions to the insurance cost was gratuitous payment, but the board held it constituted indirect wages and conditions of employment.

NLRB maintained the employer's contributions are one means of providing paid sick leave and that the economic effect of this and other forms of paid sick leave on current rates of pay has been recognized by the company.

As in the Inland case, the union was given 30 days in which to comply with the non-communist affidavits required by the Taft-Hartley law. The C.I.O. has so far refused to allow its officers to sign the affidavits pending a court test of constitutionality.

### Harold Jackson Featured at Chicago Safety Parley

Harold P. Jackson, president of Bankers Indemnity, was in Chicago last week to take part in the meeting of the committee on conference reports of the President's Highway Safety Conference. He is chairman of the national committee for traffic safety and he made an appearance on the program under the heading "The Action Program Goes to Town."

Mr. Jackson is devoted to this cause and he feels that the program is moving ahead impressively. The ultimate objective is to cut traffic deaths in half in those states that embark on the program in full-fledged fashion, and he said that this objective has all but been reached in those states that have organized and taken the recommended steps. He is much impressed by the calibre of the men that are devoting themselves purposefully and effectively to this great humanitarian undertaking.

Also attending the Chicago conference from insurance ranks were Julien Harvey and T. N. Boate of Assn. of Casualty & Surety Companies.

### Snag Va. Auto Rate Hike

Hearings before the Virginia corporation commission on the proposed boost in automobile B.I. and P.D. rates

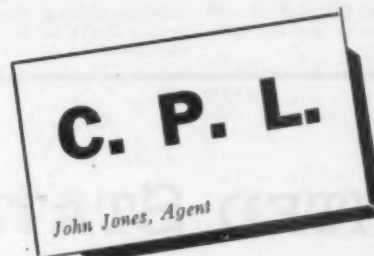
was marked by protracted arguments over a statement made by a witness for the companies that the rate increases would call for a boost in commissions to agents from 20 to 25%. Another such hearing is being held this week. Blake T. Newton, counsel for the state, said that the proposed commission increase was not included in the public notice and should have been.

A. E. Spottke, manager of the National Bureau of Casualty & Surety Underwriters, testified that motorists in the state received five consecutive reductions in bodily injury rates before pre-war rates were restored. C. F. Joyner, Jr., motor vehicle commissioner,

entered the case as an intervenor. He has not testified yet, but is expected to support the position that there has been a reversal of the 1945 and 1946 accident trend. The companies are asking for increases of 24.6% in B.I. rates and 43.4% on P.D.

### P. O. Holm Is Big Toad

The Western Reserve puddle of Blue Goose at Cleveland has elected Perry O. Holm, Fireman's Fund, big toad; A. J. Danzinger, U. S. Fire, polywog; R. R. Barrington, Western Adjustment, croaker, and J. L. Mowatt, Aetna Fire, bouncer.



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## Key Retiring, Rousseau in Ala. Post for Home

Cliff G. Key, manager for Home at Birmingham, and Special Agent S. M. Bigger of Montgomery are retiring.

J. C. Rousseau, state agent, has been promoted to manager and S. W. Ivey, special agent, succeeds Mr. Bigger. Mr. Ivey formerly was staff adjuster at Montgomery.

J. S. Robinson, secretary of the liability department of Fidelity & Casualty, is winding up a three-week vacation at his farm. His farming knowledge came in very handy when National Bureau of Casualty Underwriters was drawing up the farmer's comprehensive personal liability policy. "I sure do," he said, when asked if he had a farmer's comprehensive on his own place.

## Distinctive Yacht Pamphlet

The Casmir Advertising Agency of New York has prepared a striking yacht insurance pamphlet for Appleton & Cox. The cover in blue, is particularly noteworthy since it carries no title, depending on the art work to indicate the subject. There is a drawing of Neptune below clouds suggesting a storm and in the sea are pictures of various grotesque animals that illustrate the hazards of the sea. There is an inset of power and sailing craft. Inside there is an introduction sketching some of the hazards of the sea followed by a description of the coverage under full marine insurance, protection and indemnity, longshoremen's and harbor workers compensation act, and voluntary medical payments. There is also a discussion of whether the yacht owner can limit his liability and a suggestion as to the proper limits of liability that should be carried.

## Mail Order Insurers Organize Trade Group

(CONTINUED FROM PAGE 15)

at least was not proscribed.

The Post Office Department for the past two years has had a squad of postal inspectors following up complaints about mail order insurers and the department, according to this dispatch, states that this drive is now gaining momentum.

The department also desires the states to exercise greater surveillance over advertising material. If police work is done in this connection at the state level, the department believes that the problem will largely disappear. It also sees some hope in a voluntary effort on the part of limited A. & H. companies operating through a trade association to set standards guiding the advertising of the members.

The department intends to continue aggressively, its campaign for criminal prosecution of such insurers.

## Ill. Third Party Auto Rates Increased About 15%

Approval has now been given in Illinois to auto B.I. and P.D. rate increases. The private passenger car rates are increased on the average 15.5% for B.I. and 14.9% for P.D.

Bodily injury rates for commercial cars are increased on the average 15% and 13.7% for P.D. In addition, the new classification of private passenger cars has been introduced to apply where non-business use cars are operated by persons under 25 years of age, with the rate within 5% of that for business use operation. It is understood that the B.I. rate increase is less than what had been sought.

It is understood that those independent companies that have made rate increase filings in Illinois, approximately up to the bureau scale, have been notified that they must file supporting statistical data in justification. So far, it is said, the National Bureau filings are the only ones that have been approved. An agreement was reached by the Illinois department representatives with National Bureau people during the commissioners convention at Philadelphia.

## Old B.I. Claims Are Hitting Insurers Hard

In appraising the automobile insurance experience currently, most observers have the impression that so far as new business is concerned, the rates are now on a correct level for automobile physical damage and third party property damage coverage. Apparently something of a balance has been struck between premium income and cost of repairs. The companies, however, still have misgivings as to the adequacy of the B.I. rate level in view of the increasing effect on personal injury settlements of the inflationary spiral and high earning capacity. The insurers are constantly revising upward their estimates of what various types of injuries to various classes of individuals are worth. Even though the present level of rates may be nearly adequate to take care of newly occurring claims, the companies are all suffering badly when it comes to liquidating old claims. Many claim reserves that at the time appeared to be extremely conservative, now are turning out to be insufficient.

## Give Luncheon in Honor of Lewis' 25th Year

NEW YORK—A testimonial luncheon marking his 25th anniversary of service with the Towner Rating Bureau will be tendered Martin W. Lewis, general manager of Surety Assn. of America, July 1, at the Hotel Astor, jointly by Surety Managers' Assn. and Surety Underwriters Assn. of New York City.

Rankin Martin, Standard Accident, is chairman of the joint committee on ar-

rangements, assisted by P. L. Crafts, Home Indemnity; E. J. Donegan, Commercial Casualty; J. B. Duke, New Amsterdam Casualty; T. I. Hall, Employers group; J. P. Madigan, Maryland Casualty; E. V. Roth, Surety Assn., and R. W. Stewart, Fireman's Fund Indemnity.

Mr. Lewis, a native New Yorker, began his surety career with National Surety in 1912. He was superintendent of its fidelity department when he became assistant manager of the Towner Rating Bureau July 1, 1923. He was elected president of the bureau on its incorporation in 1938, and when the bureau was consolidated with Surety Assn. last year he was elected general manager.

## Badger State Has Regional

BEAVER DAM, WIS. — Badger State Casualty, Milwaukee, held a regional sales meeting here under direction of Carl H. Gehrun, Randolph, district agent, and company officers. H. C. Ewert, secretary, emphasized the relation between automobile insurance costs and loss experience, pointing to increased rates for youthful drivers as the result of the high loss record on that class.

## Pickard Ohio President

BUCYRUS, O.—C. N. Pickard, agency supervisor Aetna Casualty, Columbus, was elected president of Ohio Assn. of Casualty & Surety Managers at its annual meeting here, succeeding W. P. Fisher, bonding manager Standard Accident, Cincinnati. L. S. Jones, manager Glens Falls Indemnity, Columbus, is secretary-treasurer.

The association was the guest of F. J. Roelle, local attorney and former Cincinnati manager of Fidelity & Deposit. The election was preceded by a golf tournament and banquet.

## WANT ADS

### WANTED CASUALTY SPECIAL AGENT

Young man, 22 to 30, to train for position as Special Agent for Alabama Field. Exceptional opportunity for advancement with leading casualty and bonding company. Agency or Company experience helpful but not essential. Car furnished upon completion of training. State age, education, experience and draft status. Replies confidential. Address Q-85, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

### WANTED

by Guarantee Insurance Company of Los Angeles field man for Indiana with opportunity to become branch manager. Company has just entered state and will provide general casualty writing facilities. Reply to Box Q-84, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

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Accident and Health Executive in agency, underwriting, claims and as branch manager. Prefer Home Office or executive supervisory agency work or branch manager. Address Q-81, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

### WANTED

Compensation and liability underwriter, also an automobile underwriter by Cook County branch of a large fire and casualty group. Address Q-82, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

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# INSURANCE NEWS BY SECTIONS

## MIDDLE WESTERN STATES

### Big Springfield Loss Reviewed

The Illinois Inspection Bureau has issued a report on the spectacular loss of the John Bressmer Department Store Co. at Springfield, Ill., May 2. The fire occurred during an extremely severe electrical storm and the experts believe the building was struck by lightning. A two inch metal conduit containing elevator power wiring appears to have been blown open on at least three floors and electric power and light panel boards show evidence of extreme heat. The fire apparently started on three floors simultaneously and the stairway openings were unprotected.

The building was insured specifically for \$500,000 with a 90% coinsurance clause. There was specific insurance on furniture and fixtures of \$200,000 with 90% coinsurance and specific insurance on stock of \$153,500 with 90% coinsurance. Limit of liability under single state reporting form was \$500,000 and there was U. & O. of \$550,000. Preliminary estimate is that the loss will be practically total to building and contents, and that building salvage will not exceed 10% and stock salvage about 5 to 10%.

The inspection bureau states that this large loss in a building of fire resistive construction was due in part at least to the fact that the fire started on three floors simultaneously. The open stairways and improperly protected elevator shafts added to the rapid spread of the fire. The fact that the building was of fire resistive construction and that the windows in the exposing walls were protected by automatic closing fire shutters (about 50% of which operated) was of considerable aid to the fire department in preventing the spread of fire to adjoining property. The tile fireproofing for the steel columns, beams and girders, was effective and protected the steel in a satisfactory manner. It is understood that after a thorough cleaning this steel will be used in the reconstruction. The unprotected steel failed completely. Buildings with this type of occupancy with extremely high values should be protected by automatic sprinklers, the bureau states.

### Mutuals Sponsor Institute

GREEN BAY, WIS.—About 100 attended the fire agents institute here, sponsored by Wisconsin Federation of Mutual Insurance Companies and Wisconsin 1752 Club in cooperation with the school of commerce, University of Wisconsin, and the university extension division. R. J. Colbert of the university was chairman, and Oscar Briggs, extension director here, made arrangements. Speakers were Robert Barber, West Bend Mutual; E. R. Sturgeon, Employers Mutuals of Wausau; Paul Rehfeld, Rehfeld Associates, adjusters, Madison, and Herbert W. Roehr, Cream City Mutual, Milwaukee, federation president.

### Southern Minn. Agents Elect

Builders' risk insurance was explained by Glenn Schodde, special agent of Home, at the June meeting of Southern Minnesota Insurance Agents Assn. at Austin. These officers were elected: President, John J. Walz, Northfield; vice-presidents, Robert F. Shumway, Northfield, and Albert Jones, Albert Lea; secretary, C. J. Katzenmeyer, Hayward.

West Central Minnesota Regional Assn. will hold its annual meeting at Marshall June 22, and Southwestern Regional June 28 at Windom.

### Extensive Hail Loss in Kan., Mo.

Prospects for an unusually low hail loss season to the Kansas wheat crop received a severe set back last week when a series of general storms of the state from early Monday to the following Sunday caused widespread losses. Early in the week the most severe loss ever reported from Cheyenne county in the extreme northwest corner of the state was reported, much thought to be total. The vicinity of McPherson in the south central section suffered heavily. Late Thursday afternoon a 75-mile wind hit Hutchinson damaging property generally throughout the city. The wheat harvest was just getting under way and soaked fields will keep combines out of the fields for several days. Until this past week only two hail storms of any consequence had occurred in the state, which had experienced an unusually dry spring. Adjusters have been rushed into the areas but it will be two weeks or more before the extent of the damage to the ripened wheat crop can be estimated.

Considerable damage from hail has been reported from points in Missouri and Illinois.

A sudden storm struck a 15-mile area in the vicinity of Meredosia, Ill., on June 14, leaving hailstones piled four feet deep on some of the highways. Damage to crops will run high.

Boonville and Carrollton, Mo., were also hard hit. In Cooper county much corn was stripped to the stalk and wheat fields were laid flat. On June 18 rain and hail did considerable damage in the vicinity of Sedalia, Mo.

### Ohio Eighth District Agents Elect; Prevention Rally Held

Officers elected at the eighth district meeting of Ohio Assn. of Insurance Agents at Alliance are: E. R. Hunsicker, Akron, trustee; W. J. Locke, Mansfield, president; D. S. Romig, Urichsville, vice-president, and Glenn Staley, Canton, secretary.

Ninety local agents and fire chiefs met with representatives of the Ohio fire safety committee, C. R. Scott, assistant state fire marshal, and E. C. Knoop, Ohio Fire Prevention Assn., both of Columbus, to outline plans for reducing fire losses in Ohio.

Other speakers included P. J. Schindler, Youngstown, safety engineer Youngstown Sheet & Tube Co.; S. W. Schellinger, Buckeye Union Casualty, "Storekeepers Liability Policy"; E. O. Pierce, Cleveland, St. Paul F. & M., "Business Interruptions," and T. M. Gray, executive secretary, Ohio association.

Thirty fire chiefs from northeastern Ohio participated and discussed plans for local participation in the year-round fire prevention program set up by the Ohio committee.

This meeting was the second in a series of agent-fire chiefs-industry leaders fire prevention meetings started to promote cooperation. The third meeting at Athens next month will include southeastern Ohio.

### Buyer Speaks at South Bend

E. B. Murphy of South Bend, spoke on "A Man On The Other Side of the Fence" at a meeting of South Bend-Mishawaka Assn. of Insurance Agents, presenting problems of the Insurance buyer.

### Hail Outlook Good in Minn.

MINNEAPOLIS — Crop conditions point to an early harvest of small grains

in parts of this territory which means the liability will be off as far as hail coverage is concerned. Cutting is expected to begin about the middle of July in some sections. Floods in the northern part of the Red River valley and parts of North Dakota delayed planting which will mean a later than normal harvest there.

To date this season there have been only scattered hail losses and no serious ones. However, hail men are not counting on as profitable a year for the companies as they experienced last year.

### Wichita Agents Hold Outing

About 100 members and guests of Wichita Assn. of Insurance Agents attended the annual stag picnic and outing. The program of outdoor sports featured a horseshoe tournament and ball game. Secretary Henry Scott, A. E. Smoll, Howard Snyder and Elmer Beezley were in charge.

### Rename Langlade Officers

ANTIGO, WIS.—Walter D. Cavers was reelected president of Langlade County Assn. of Insurance Agents at the annual meeting here. William L. Melgaard continues as vice-president, and Rudolph N. Mattes, Jansen agency, secretary.

### Lincoln Finds Scholarships

Lincoln Assn. of Insurance Agents has established a scholarship fund to reward insurance students at the University of Nebraska. The awards may range in value from \$100 to \$500 each.

Edward F. Holloran, adjuster for Hartford Fire, appeared before the Insurance Buyers Assn. of Minnesota June 22 at Minneapolis on "Subrogation Under the Fire Insurance Policy."

Kansas City, (Kan.) Assn. of Insurance Agents is showing the N.A.I.A. film, "Your Best Policy," at the June 23 meeting.

M. G. Koen, local agent at Columbus, O., for 34 years, has joined the Wolf agency there.

Roy Green of Atwater, O., has sold his agency to Mildred C. Lemert.

The Clifford G. Fisher agency at Piqua, O., has been sold to Harold L. Short, who has been with the agency. Mr. Fisher will remain as a solicitor.

Joseph N. Hubbard, New London, O., has purchased the J. W. Arnold agency there.

Mary Helen Bandel, Dulaney, Johnston & Priest, has been elected president of Wichita Assn. of Insurance Women, succeeding Iris Bedwell of Van Arsdale & Larkin. Vice-presidents are Ann Uhl-schmidt, Russ Prater agency, and Maxine Jinks, Wm. Matchette agency; secretary, Betty Mueller of Sheffer-Cunningham, adjusters; treasurer, Marie Bleghler, Roy L. Benjamin agency. At the July meeting reports of the Portland convention will be given.

## EAST

### Mass. Brokers OK Optional \$50 Wind Deductible

The governing council of Insurance Brokers Assn. of Massachusetts has adopted a resolution giving qualified approval to the idea of a windstorm deductible. What this organization desires is a \$50 deductible on an optional basis at a lower rate than for full coverage. The resolution states that rates for extended coverage have been substantially increased and the E. C. premium is frequently more than half the cost of fire insurance. This increased cost, according to the memorial, is likely to bring pressure for relief and perhaps will result in elimination of the coverage. Recovery of windstorm losses of less than \$50 would not be an important matter to mortgage holders and most assured.

"Packaging the insurance to meet the needs of a large number of insurance buyers and to fit their pocketbooks would appear to be good public policy and good for public relations," the resolution states.

### Smith Jamestown President

E. Donald Smith has been elected president of Jamestown (N. Y.) Fire & Casualty Underwriters Assn. Stanley Davis is vice-president; C. William Glatz, reelected secretary, and Mrs. Sally Johnson, treasurer. Underwriting automobile insurance was discussed.

### Mass. Mutual Men Elect

BOSTON — Massachusetts Mutual Fire Insurance Assn. has elected as president Charles E. Hogan, Middlesex Mutual; vice-presidents, Harold K. Bartlett, Traders & Mechanics, and Edward C. Nichols, Merrimack Mutual; secretary, Edward D. Sirois; assistant secretary, Ethel M. Pratt.

### Management Course in Md.

An advanced insurance course in office management and sales production has just been announced for Maryland. It is sponsored jointly by Maryland Assn. of Insurance Agents, Assn. of Fire Underwriters and Baltimore Binder Club. It is intended for the top management of insurance offices and will be held at the University of Maryland, College Park, Md., the week of Sept. 13. Enrollees are to be housed at the university for the four nights involved. The number will be limited to 50. F. Addison Fowler of Baltimore is general chairman.

## COAST

### Downey Tells Attitude at Oakland Agents Rally

Commissioner Downey of California discussed rates and producers' qualifications Tuesday with the Oakland Assn. of Insurance Agents. He explained the department's position in administering the new state rating law and its attitude on qualifications, particularly in regard to the license examinations which have created considerable animosity toward the department in some groups in the business.

### Metke to San Francisco

J. Pat Metke, who has been manager of the aviation department of D. K. MacDonald & Co., at Seattle, is being transferred to San Francisco where he will be associated with Otis Clark in charge of the firm's Lloyds department. Harold Hansen, formerly with Morrell P. Totten & Co., succeeds Mr. Metke at Seattle.

### Firemen Hear Bush, Stevens

The firemen's training school at Salt Lake City, attended by nearly 300 firemen from four intermountain states, was addressed by Lotin Bush, chief engineer of Pacific Board, and Jay W. Stevens, assistant manager of National Board at San Francisco.

### California Directors Meet

Directors of California Assn. of Insurance Agents are meeting at San Jose June 26-27.

### Long Beach Agents Meet

LONG BEACH, CAL.—Long Beach Insurance Assn. presented diplomas to 14 members who have completed the N.A.I.A. courses. President B. F.

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Paine named a nominating committee to prepare a slate of officers and report at the July annual meeting. Ralph Spang, special agent of North America, gave a talk.

O. S. Fuquay, formerly in charge of claims in northwestern Washington for Northwestern Mutual Fire and North-west Casualty, has established an independent claims office at Pendleton, Ore.

Frank Lindbergh has become office manager at Seattle of Canadian Fire and Canadian Indemnity. He has been with the companies since last October as an underwriter.

Bruce Foot has joined Pierce & Crockett, Seattle local agency. He was formerly with the fire underwriting department of Stuart G. Thompson-Elwell Co., Seattle general agents. He is a son of A. A. Foot, treasurer of the C. H. DeMille General Agency.

The Douglas Evey and Ray W. Jones & Co. local agencies at Oakland, Cal., are consolidating July 1.

Insurance Women's Assn. of Seattle is planning an all-day cruise to the San Juan Islands, July 18.

## SOUTH

### A. G. Randol Gives Public Relations Suggestions

Arthur G. Randol, chairman of the legislative committee of Texas Assn. of Insurance Agents, spoke to Insurance Women of San Antonio on public relations, stressing that every contact with a man or woman buying insurance, whether through letter, over the telephone or in person, either builds good will or ill will for the agency and may do the same for the business.

### Big Storm Loss in Ark.

LITTLE ROCK—Central and northwestern Arkansas received widespread damage June 16 from wind up to 80 miles per hour. In Little Rock plate glass windows were smashed, trees uprooted, and power and telephone service disrupted.

The storm has brought in a large number of claims distributed among nearly all of the cities in the areas, from Springdale in the northwest to Little Rock in mid-state. According to General Adjustment Bureau save for a few exceptions, most claims are for roof damage and damage to interiors, ranging from \$50 to \$250. No estimate is yet available as to the total number of claims.

### Change in Roanoke Agency

Charles Lunsford & Sons agency, Roanoke, Va., has changed its name to Charles Lunsford Sons & Izard. James J. Izard, the new member of the firm, has been associated with it for some time, although not heretofore as a member of the firm. He is a past president of Virginia Assn. of Insurance Agents.

### New Va. General Agency

The Insurance Managers of Virginia, Inc., is a newly incorporated general agency. R. H. Crozier, president; John C. Goddin, vice-president, and E. Carl Godsey, secretary.

### Hulsey Is Austin Speaker

Raymond Hulsey, Automobile Insurance Service Office, Austin, spoke to Austin Assn. of Insurance Agents, June 18, on the new automobile policy form in Texas and changes in the rate structure.

### Williams on La. Commission

Edward R. Williams, Jr., Shreveport, has been appointed a member of the Louisiana insurance commission by Governor Long to succeed Victor P. Maynard, resigned. Mr. Williams has been a casualty adjuster.

# Fidelity-Surety 1947 Score Card

(CONTINUED FROM PAGE 15)

## Surety Experience STOCK COMPANIES

	Country-wide				Expense Analysis				Taxes & fees to written
	Net premiums written	Losses incurred to earned	Exp. (adj.)	Net gain (adj.)	Claim exp. to earned	Acq. & ad. sup. to written	Gen. adm. to earned	Insp. & bur. to earned	
Accident & Casualty	71,125	15,521	75.5	9.4	7.8	35.2	27.5	1.8	3.2
Aetna Cas. & Sur.	2,981,309	2,584,928	8.5	17.0	10.9	40.2	19.8	.4	2.9
American Auto	11,867	6,589	49.1	49.6	8.1	24.2	16.3	.3	3.3
American Casualty	249,570	324,228	29.1	57.9	5.6	34.1	13.8	1.2	3.2
American Credit Indemnity	1,630	1,615	...	100.0	...	...	...	...	...
American Employers	624,846	472,123	11.8	63.7	6.2	41.7	11.5	1.1	3.2
American Motorists	83,385	74,066	32.9	53.5	2.2	46.4	2.4	.5	3.3
American Surety	2,420,285	2,201,956	-1.3	78.5	7.5	36.2	30.3	.6	3.9
Associated Ind.	44,735	46,039	-3.4	84.1	.4	41.9	37.1	1.2	3.5
Bankers Ind.	...	10	...	...	...	...	...	...	...
Car & General	17,593	14,345	2.3	113.1	6.9	27.7	63.8	11.9	2.8
Central Sur.	432,838	386,859	18.1	61.2	5.0	30.7	20.9	1.3	3.3
Century Indemnity	803,723	705,995	3.3	61.5	35.2	7.3	39.1	11.3	.6
Columbia Casualty	184,387	185,544	-10.2	46.9	3.9	27.2	10.4	2.1	3.3
Commercial Casualty	190,420	161,265	6.1	65.2	28.7	6.0	33.0	22.1	1.8
Continental Casualty	1,632,693	1,386,948	23.6	59.8	16.6	9.4	29.4	17.7	.7
Eagle Indemnity	100,556	88,949	17.3	64.7	18.0	7.9	36.3	16.7	.6
Employers Liability	538,293	425,927	18.2	59.2	22.6	4.8	38.2	11.4	1.8
Fidelity & Casualty	1,561,432	1,346,121	4.0	67.3	28.7	6.4	37.9	17.2	1.9
Fidelity & Deposit	4,768,949	4,077,725	1.2	60.9	37.9	4.4	39.6	12.4	1.3
Fireman's Fd. Ind.	433,167	360,194	24.6	61.2	14.2	7.7	29.5	19.8	1.0
General Casualty, Seattle	642,761	521,236	6.9	41.3	51.8	2.7	30.0	5.5	.3
General Transp. C. & S.	1,197	981	2.4	5.7	91.9	...	-4.7	7.1	.1
Glens Falls Indemnity	873,053	893,213	8.9	55.6	35.5	5.7	33.1	11.6	1.3
Globe Indemnity	603,338	533,693	17.3	62.2	20.5	7.9	35.5	15.0	.6
Great American Indem.	762,443	646,521	5.6	58.6	35.8	4.0	34.5	16.6	.7
Guarantee of North Am.	55,607	55,264	74.3	71.8	46.1	2.8	47.7	18.3	...
Hartford Acc. & Ind.	3,451,878	2,888,426	-7.7	61.7	37.6	6.0	30.1	22.3	.8
Home Indemnity	221,483	194,588	16.3	52.3	31.4	-1.5	34.2	15.6	.6
Indemnity of N. A.	1,146,717	955,310	3.9	61.4	44.7	5.6	38.1	13.8	1.2
International Fidelity	10,210	9,841	10.8	64.9	24.3	...	-3.7	65.3	...
London Guar. & Acc.	21,844	26,513	18.7	78.8	2.5	...	23.4	50.2	1.4
London & Lancashire Ind.	165,937	155,870	23.6	71.5	4.9	16.9	29.1	20.7	1.3
Manufacturers Casualty	504,802	457,262	17.9	58.8	23.3	2.4	36.8	16.0	.6
Maryland Casualty	3,349,810	2,814,452	1.8	62.4	35.8	6.7	41.5	10.8	.7
Massachusetts Bonding	1,481,261	1,267,841	39.4	59.5	1.1	11.6	31.2	13.3	.4
Merchants Indemnity	41,070	32,391	97.0	57.2	-54.2	10.9	39.8	6.2	...
Metropolitan Casualty	231,263	222,774	16.9	51.1	32.0	...	32.2	12.9	.4
National Casualty	45,292	40,141	24.2	75.9	-1	26.8	29.8	15.1	1.2
National Surety	3,603,003	3,187,316	5.3	68.5	26.2	7.2	42.4	14.7	.8
New Amsterdam Casualty	1,163,927	880,083	2.9	66.5	30.6	16.9	31.9	14.6	.3
New England Casualty	25,677	16,486	264.4	59.2	-253.6	18.8	39.6	24.2	5.4
New York Casualty	508,037	444,236	5.8	48.5	45.7	3.3	26.6	14.4	.2
Ocean Acc. & Guar.	89,167	86,029	-44.0	52.6	91.4	6.9	30.3	10.8	1.6
Perless Casualty	607,578	542,824	9.0	47.7	43.3	1.0	38.7	6.3	.1
Phoenix Indemnity	34,851	29,601	-21.7	18.6	103.1	2.1	7.0	4.2	1.4
Preferred Accident	38,184	107,705	-23.8	49.1	74.7	...	46.2	5.5	.6
Royal Indemnity	552,059	489,219	17.3	62.0	20.7	7.9	35.6	14.7	.6
St. Paul Mercury Indemnity	1,606,800	1,457,856	-1.2	58.7	62.5	2.1	21.4	11.1	1.1
Seaboard Surety	1,416,743	1,157,494	-8.7	73.4	35.3	17.6	29.3	16.7	3.0
Standard Accident	2,250,120	1,834,324	5.4	65.2	29.4	6.7	42.8	11.2	1.7
Sun Indemnity	61,511	59,566	-1.9	51.5	50.4	14.1	28.2	6.4	1.2
Travelers Indemnity	1,535,308	1,285,527	28.6	64.9	6.5	8.6	38.0	13.8	1.9
United National Indemnity	44,794	27,217	344.4	108.9	-353.3	6.9	32.0	62.4	3.2
United States Casualty	366,762	315,266	14.5	54.9	30.6	5.4	31.1	15.8	.6
U. S. Fidelity & Guaranty	6,586,138	5,727,353	9.0	51.3	39.7	2.8	34.2	10.4	1.1
U. S. Guarantee	1,646,107	1,409,789	2.8	58.3	38.9	8	29.3	25.0	.6
Western National Indemnity	168,224	128,227	9.6	57.7	32.7	4.3	34.8	15.2	1.4
Yorkshire Indemnity	246,027	197,884	1.9	78.6	19.5	14.8	58.4	2.9	...
1944 totals	\$33,816,558	\$36,784,172	7.9	58.4	33.7	5.7	34.2	14.8	1.0
1945 totals	35,039,866	34,888,087	-9	58.5	42.4	5.6	33.5	15.4	.9
1946 totals	44,589,186	38,103,166	-3.8	61.5	42.3	5.6	34.4	17.3	1.1
1947 totals	53,494,786	46,008,296	7.8	61.2	31.0	6.4	35.4	15.3	1.1

## MUTUAL COMPANIES

	Net premiums written	Losses incurred to earned	Exp. (adj.)	Net gain (adj.)	Claim exp. to earned	Acq. & ad. sup. to written	Gen. adm. to earned	Insp. & bur. to earned	Taxes & fees to written
American Mut. Llab.	1,140	1,015	...	18.5	81.5	...	11.8	6.7	...
Liberty Mutual	235	147	...	100.0	...	...	...	...	...
Lumbermen's Mut. Cas.	195,564	172,817	73.9	38.4	-12.3	5.5	19.8	11.2	.4
Security Mut. Cas.	70,799	38,589	49.0	29.1	21.9	.4	18.6	6.6	...
1944 totals	\$29,547	\$4,425.9	34.4	40.2	25.4	2.9	35.1	.9	1.0
1945 totals	70,739	51,074	35.8	43.2	20.4	3.9	33.6	6.2	.2
1946 totals	137,447	92,754	38.2	40.5	21.3	4.2	18.2	15.6	.1
1947 totals	266,738	212,568	68.9	36.6	-5.5	4.6	19.4	10.3	.3

## REINSURANCE COMPANIES

	Net premiums written	Losses incurred to earned	Exp. (adj.)	Net gain (adj.)	Claim exp. to earned	Acq. & ad. sup. to written	Gen. adm. to earned	Insp. & bur. to earned	Taxes & fees to written
American Reinsurance	\$1,459,253	\$1,198,460	21.2	53.5	25.3	...	47.2	5.1	.2
Employers Reinsurance	1,111,034	850,618	15.5	66.4	18.1	8.3	52.4	4.0	1.4
European General Reins.	2,102,247	1,670,909	16.3	53.4	30.3	3.0	48.8	1.4	.1
Excess	449,953	277,042	30.1	68.3	1.6	16.1	37.6	12.1	.1
General Reins.	1,177,873	992,681	-1.7	47.3	61.4	.1	42.4	3.0	1.7
North Am. C. & S. Reins.	12,090	7,410	96.8	78.3	-75.1	22.6	56.2	-7	...
1944 totals	\$2,892,606	\$2,491,775	35.3	62.2	2.5	3.8	53.5	3.6	2.1
1945 totals	2,911,850	2,852,639	8.8	54.5	36.7	3.0	46.0	4.1	1.2
1946 totals	4,548,321	3,547,831	-8.7	51.9	56.8	1.5	43.9	4.8	1.5
1947 totals	6,312,250	4,997,120	13.3	55.3	31.4	3.4	47.1	3.6	2.0

### La Salle F. & M. Is Formed by Chicago Group

La Salle Fire & Marine has been formed at Chicago by interests identified with La Salle Mutual Casualty. The president is Seymour B. Orner, president of the casualty company; vice-president, Frank J. Zurek, who also is vice-president of La Salle Mutual, and has been in the insurance business there for 25 years; secretary-treasurer, Norman J. Schlossberg, a director of the mutual. The company has the same management as La Salle Mutual.

### Assigned Risk Plan in S. C.

An automobile assigned risk plan has

been set up in South Carolina. It will be managed by S. C. Southard of South-eastern Compensation Rating Bureau, Birmingham, Ala.

Commissioner Benjamin said he had hoped to have a law enacted by the last legislature to authorize the establishment of such a plan, but the bill was introduced too late in the session.

Government Employees Ins. Co. of Washington held an outing for its employees at Bay Ridge Beach, Md. President Leo Goodwin spoke at the dinner for 300 employees and guests. The main event of the day was the crowning of the winner of the bathing beauty contest, she being Miss Pat Mullen.

Prudence Life of Chicago has been admitted to Missouri.

### New Liability Limits for Buses Set in N. J. Act

NEWARK—Assemblyman Shershin's measure in the legislature to compel buses to carry sufficient insurance coverage to protect passengers has been signed by Gov. Driscoll. It is the result of an accident March 20, 1944, when 20 persons were drowned in the Passaic River in a bus that crashed through a railing and fell into the water.

Limits of coverage per bus are raised from \$15,000 to \$25,000 for buses with seating capacity of not more than 12, \$25,000-\$50,000 for 13 to 20 passengers; \$50,000-\$100,000 for 21-30, and \$75,000-\$150,000 for more than 30.



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# FIDELITY BLANKET BONDS

Easy to Sell . . . They Cover:

ANY KIND OF PROPERTY

Lost Through

ANY DISHONEST ACT

of

ANY EMPLOYEE

at

ANY LOCATION

**THE TRAVELERS INDEMNITY COMPANY**  
HARTFORD, CONNECTICUT



## Whipple House

### "The Whirr of Spinning Wheels"

"LAWRENCE YE INDIAN," valued at four pounds, was numbered among Captain John Whipple's worldly possessions in his will drawn in 1683. The numerous household items in his inventory, including "basons, pottingers and silly bub pots," together with his homestead, farm lands, "piggs, coves and swyne," mark him as unusually wealthy for the period.

The captain was the second of three John Whipples who lived in the old homestead

in Ipswich, Massachusetts, that bears their name. Though the exact date when the earliest section of the house was built has not been determined, the first John Whipple acquired it in 1642. As Deacon and later as Ruling Elder, this eminent Puritan was one of the leaders in church and town government.

Elder Whipple's son, Captain John, was a businessman and soldier. While serving in King Philip's War he gained possession of the Indian mentioned in his inventory. As his son, Major John, had six daughters but no male heir, the house passed to the major's daughter Mary and her husband and was owned by their descendants until 1838.

Now the headquarters of the Ipswich Historical Society, the Whipple house is considered one of the best examples of earliest seventeenth-century colonial architecture in New England.

Faithfully restored to its original period, it recreates in the imagination the daily life of the Puritans. As the Ipswich historian, Rev. Thomas Franklin Waters, has said, "The old pavement in the dooryard rings again with the hoof-beats of Capt. Whipple's horse hurrying to lead his troopers to repel an Indian assault . . . the whirr of spinning wheels, the rumble of the loom overhead, the beat of the

churn, the roar of great winter fires, the hissing of meats on the long spits, the voices of children at play or demurely reciting the catechism, the good wife's chat with neighboring gossips . . . all the history of other days becomes a speaking witness to the simplicity of the old Puritan home life."



*Household implements used by the Puritan family.*



*Mischievous boys dropped a calf down this chimney.*

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